



VIETNAM WOMEN'S UNION



Farmer Business School Learning Manual for Business Skills



MANUAL FOR FACILITATORS

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The organizations listed below collaborated on the *Towards More Profitable and Sustainable Vegetable Farming Systems in North-western Vietnam* project.



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How to use this manual

This manual provides Farmer Business School (FBS) facilitators with the tools, skills, and knowledge that will allow them to guide farmers as they go through their FBS experience. Through FBS, we hope for farmers to improve their business skills and obtain a better understanding of the different aspects relating to the agricultural product market through a learning-by-doing method.

This manual is intended for and speaks to facilitators.

The manual is divided into three parts and six main modules, comprising a total of 13 to 14 sessions. An additional two sessions, on preparation for the FBS and actual business launching, have been added.

Each session includes the following sections:



Objectives of the training session



Tip/s for facilitators



Key learning points including main concepts and knowledge



Learning exercises which detail specific activities, including objectives, time duration, materials, and implementing steps



Main questions that the participants should be able to answer after each session

While most of the examples used in this manual refer mostly to the safe vegetable business in Lao Cai province, Vietnam, the learnings can be used for other agricultural products.

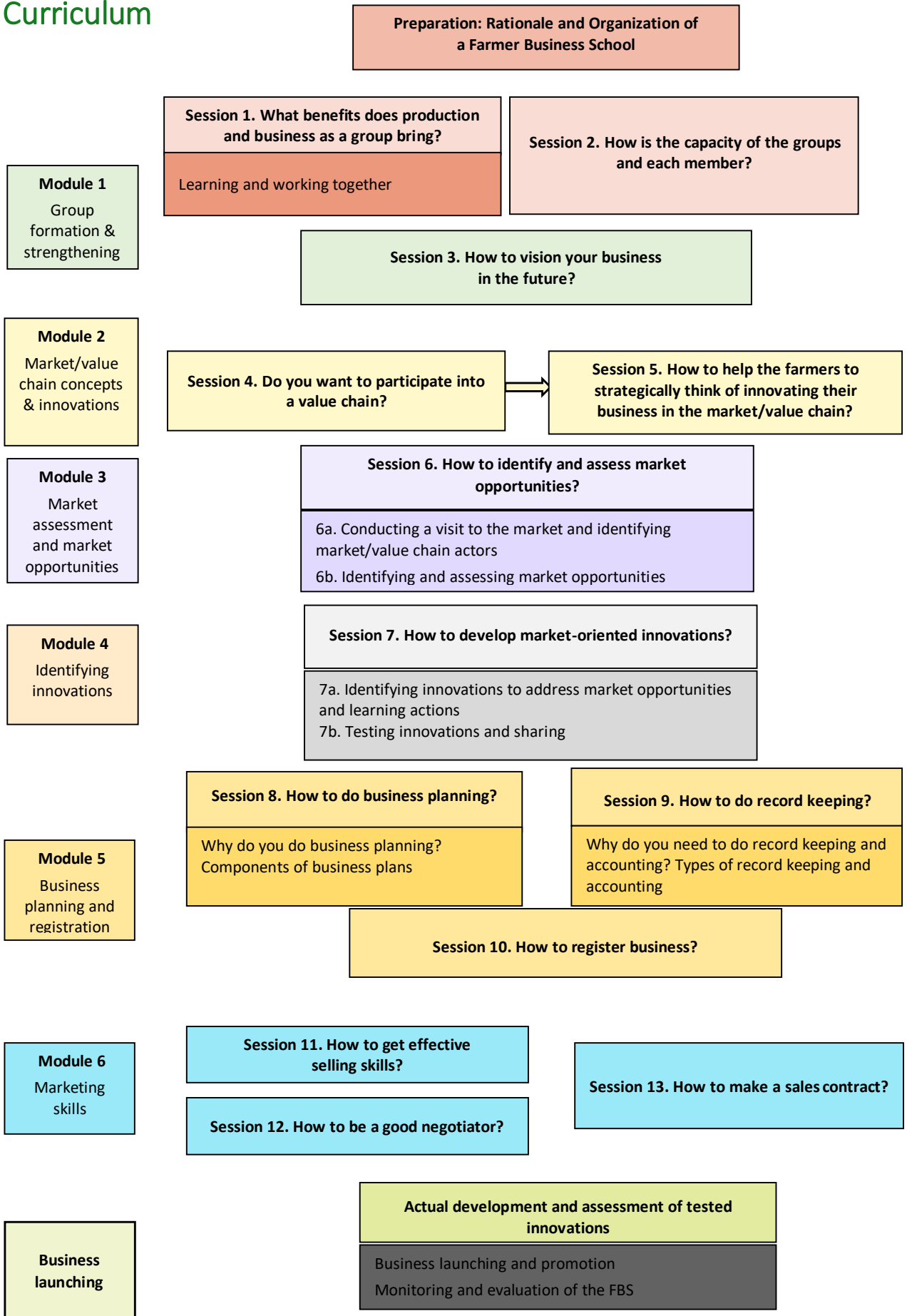
You, as a facilitator, have the flexibility to choose modules as well as sessions/topics to guide the participants based on their current knowledge.

Curriculum

Part A
Identifying market opportunities and business innovations

Part B
Business planning

Part C
Implementation and evaluation



Objectives and duration for modules and sessions

MODULE	OBJECTIVE	SESSION	DURATION
Preparation: Rationale and Organization of a Farmer Business School	Steps to prepare for the FBS will be provided in this session.		1 hour 20 minutes
PART A. IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS			
1. Group formation and strengthening	Guides participants to understand the benefits of working within a group. The module aims to assess existing business capacities and resources of individuals and group as a first step to learning and working together effectively.	1. The benefits of producing and doing business as a group	2 hours
		2. My and my group's capacity	2 hours and 30 minutes
		3. My farming business in the future	2 hours
2. Market/value chain concepts & innovations	Provides participants with key concepts on marketing, value chains, market chains, business innovations, and value addition. The participants are guided to strategically think of innovating their business in the market/value chain.	4. Participating in a value chain	2 hours
		5. Innovating to put my farming business strategically in the market/value chain	2 hours
3. Market assessment and market opportunities	Teaches the participants how to collect market information, and to identify and assess market opportunities with strong interaction with actors along the chains. By encouraging participants to share market opportunities identified with other chain actors, this module will enable the participants to establish long-term relationship with market actors.	6a. Visit to the market and identifying market/value chain actors	3 hours and 30 minutes
		6b. Identifying and assessing market opportunities	2 hours and 30 minutes
4. Identifying innovations	Aims to introduce to participants technological, commercial and institutional innovations in collaboration with other chain	7a. Identifying innovations to address market opportunities and learning actions	2 hours

	actors in order for participants to be able to respond to market opportunities identified in the previous module. This module also guides participants to design action plans to test innovations. Through this module, the participants are able to identify knowledge and skills that need to be improved.	7b. Testing innovations and sharing	2 hours 30
PART B. BUSINESS PLANNING			
5. Business planning and registration	Aims to develop business plans to make use of innovations identified in the previous module. The participants will make distribution, production and organizational plans. This module guides participants to do accounting for their business.	8. Business planning	2 or 3 hours
		9. Record keeping	1 hours and 30 minutes
		10. Registering the business	30 minutes
PART C. IMPLEMENTATION AND EVALUATION			
6. Marketing skills	Teaches the participants some skills to be able to market their products effectively.	11. Marketing and selling effectively	2 hours
		12. Becoming a good negotiator	2 hours
		13. Developing a sales contract	1 hours and 30 minutes
Business launching	Helps the participants to improve their skills to deliver products to the market. The participants have an opportunity to showcase their products to potential markets and strengthen their relationship with market actors.	Actual development and assessment of tested innovations	
		Business launching and promotion Monitoring and evaluation of FBS	

Introduction

In Southeast Asia, eight projects, including four in Vietnam, were reported to have used the Farmer Business School (FBS) approach in the period 2008 to 2018. In Vietnam, FBS was first piloted with farmers of indigenous vegetables in Lao Cai province through the *Increasing the safe production, promotion and utilisation of indigenous vegetables by women in Vietnam and Australia* (AGB/2006/112) project which ran from 2008 to 2012. The FBS curriculum consisted of modules covering market-oriented farm management and targeted participants already with initial experiences and/or current livelihoods on farm businesses. A major lesson from the pilot is that while farmers were oriented to produce for markets, they did so with a limited understanding of market opportunities and weak experience linkages to other value-chain actors and support-service providers. Thus, the current project (AGB/2012/059) from 2014 to 2018 had sought to provide a more comprehensive FBS framework with an enhanced curriculum to encourage on-farm production that is driven by clear market demands and opportunities, while also exploring institutional mechanisms for sustaining and scaling FBS beyond the project.

What is Farmer Business School?

Farmer Business School is a participatory learning approach to support farmer groups' participation in agricultural market/value chains. The training guides the farmers to carry out collective actions in production and business in order to increase income and flexibly respond to market demands. The core learning focus of FBS is on reorienting farmers' perspectives toward market-driven technological and institutional innovations that enable them to strengthen business relationships based on trust, collaboration and equitable benefit with value chain actors.

Key features of FBS

Participants	Farmers participate in groups of 20 to 30 members. Together, farmers learn technical and business knowledge and interact with market chain actors and stakeholders such as input suppliers, traders, retailers, transporters, and others.
Approach	FBS activities are based on experiential, field-based and joint learning. In FBS, the "field" is not only the farm but the entire market/value chain.
Scope	FBS covers production-marketing cycle spanning approximately 3 to 4 months. Over this period, FBS group members will participate in/complete 6 to 14 training days.
Content	FBS is guided by the market/value chain framework.
Structure	The FBS curriculum is flexible and driven by market needs and opportunities.
Result	It is expected that there will be businesses initiated or strengthened after farmers participate in a FBS.


Preparation: Rationale and Organization of a FBS


Introduction and FBS orientation

Objective:

By the end of this session, the participants will be able to:

- Understand what the FBS is trying to achieve;
- Appreciate the benefits of the FBS;
- Know the FBS curriculum;
- Agree on meeting schedules, and norms and rules for an effective implementation of the FBS.

 **Duration:** 1 hour 20 minutes

 **Format:** Group discussion, exercises

 **Materials:** Ao paper, pen, color paper, projector (if available)

 **Steps:**

Step	Content	Duration
1	Getting to know each other	5 minutes
2	Introduction on the FBS	30 minutes
3	Feedback and expectations of participants	15 minutes
4	Profiling of participants and developing rules	15 minutes
5	Schedules	15 minutes



Step 1 – Getting to know each other – 5 minutes

Welcome the participants with a friendly atmosphere. Try to use words that are suitable to the locality.

Suggested game 1. Funny characteristics (If participants come from the same community and know one another)

 **Objective:** Getting to know each other

 **Duration:** 5 minutes

 **Form:** Playing a game

 **Rules:**

1. Each participant points to the next person, introduce that person with a descriptor. For example, Ms. Beautiful Huong.
2. Each participant may do exaggerated movements (jumping/ spinning) while introducing the next person.

Suggested game 2. Remembering names (If participants are not really familiar with one another)

 **Objectives:** Remembering name

 **Duration:** 5 minutes

 **Form:** Game

 **Materials:** 1 ball, tape

 **Rules:**


1. Everybody stands in a circle. The first person holds the ball, introduces his/her name, and gives that ball to the next person. Everybody tries to remember names.
2. The last person holds the ball, tells name of and throws the ball to the opposite person. If the name is wrong, that person breaks the rule and is marked by the tape.
3. Continuing the game and those who break the rule will be corrected.




Step 2 – Introduction to the FBS – 30 minutes

Participants will want to know the benefits of attending the FBS. Share success stories of farmers or cooperatives who have joined the FBS and are now better-off in terms of marketing agri-products. Under the framework of the project, an example of success story on the FBS is the Di Thang Cooperative, Na Hoi commune, Bac Ha district, Lao Cai. You may also think about inviting successful cooperatives in the area to share their experience.


Suggested exercise 1. Introduction of the FBS

 **Objective:** Introducing contents, benefits, and organization of the FBS

 **Duration:** 15 minutes

 **Form:** Group discussion and interactions with the participants

 **Materials:** Ao paper, pen

 **Steps: Tasks of the facilitators:**

1. Ask the participants some of the following questions and let the participants discuss.
 - What do you know about the FBS?
 - What is the objectives and benefits of the FBS?
 - What is the difference between the FBS and other training courses?
2. Gather opinions and write on Ao papers.

Introduce the objectives and contents of the FBS.

What is FBS?	Farmer Business School is a participatory learning approach to support farmer groups' participation in agricultural market/value chains. The training guides the farmers to carry out collective actions in production and business in order to increase income and flexibly respond to market demands. The FBS's core learning focus is on reorienting farmers' perspectives toward market-driven technological and institutional innovations that enable them to strengthen business relationships based on trust, collaboration and
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	equitable benefit with value chain actors. The FBS shall focus on production techniques and business for safe vegetable (<i>The facilitators introduce training curriculum</i>).
Benefits of FBS	<ul style="list-style-type: none"> - To form and strengthen groups for marketing-oriented learning and actions - To identify and describe all market chain actors and their roles - To identify and assess market opportunities - To develop business innovations to address market opportunities (including technical, marketing, and organizational innovations) - To review and approach new technical innovations (e.g. safe production, pest and disease management, proper fertilizer use, etc.) - To identify knowledge and skills that need to be improved. - Develop a business plan - To obtain basic marketing skills and enhance knowledge (negotiation skills, product marketing skills, etc.)
Curriculum and duration	See previous pages




Step 3 – Feedback and expectation of the participants – 15 minutes

Explain clearly that the FBS will cover the whole cycle of vegetable production and marketing (around 5-14 days in 3-4 months, 2-3 hours per week), depending on the existing knowledge of participants. Emphasize that participants must join all the sessions.

Be ready to respond to questions that participants may have.

Suggested exercise 2. Getting feedback

 **Objective:** Getting feedback from the participants in order to have suitable adjustments

 **Duration:** 15 minutes

 **Form:** Group discussion

 **Materials:** Ao paper, pens, color papers

 **Steps: Tasks of the facilitators:**

1. Encourage the participants to discuss on a) Duration (1 day/week), b) the facilitators, c) training venue, d) other elements including lunch support, e) contents, etc.
2. Which time is suitable to the whole group? If no agreement, what is the solution?
3. Other questions.
4. Take note on an Ao paper.

Encourage the participants to speak about their overall expectations. The curriculum could be adjusted based on expectations and needs of the participants. The participants have the liberty to suggest topics that they think will be useful for the group.

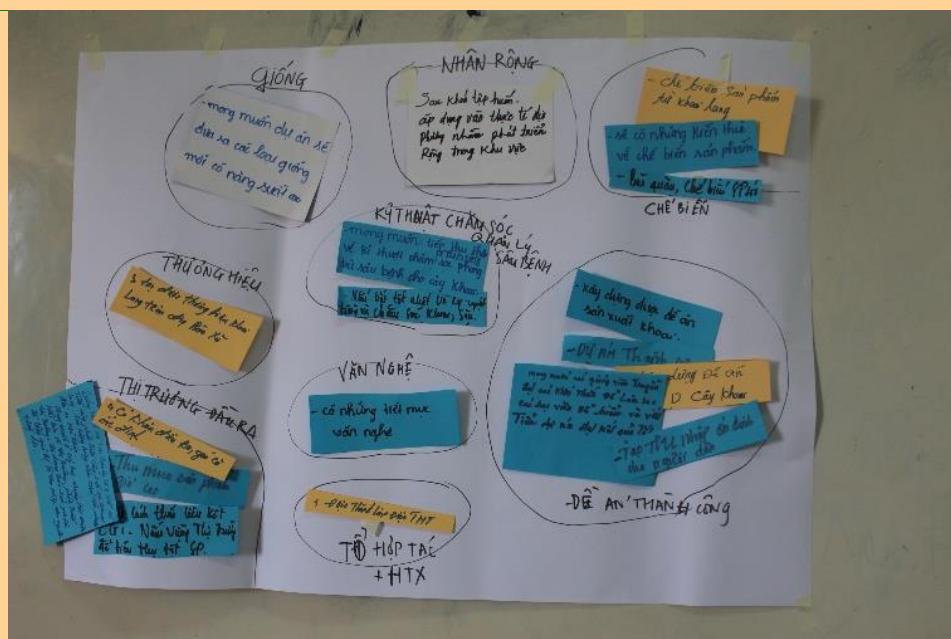
Suggested exercise 3. Expectations of the participants

- 👉 **Objective:** Understand expectations of the participants
- 🕒 **Duration:** 15 minutes
- 👥 **Form:** Group discussion and interactions with the participants
- 🖋️ **Materials:** Ao paper, pens, markers
- 📄 **Steps: Tasks of the facilitators:**

1. Encourage the participants discuss on their knowledge, demands, and expectations. The participants are able to suggest topics that are useful for the group.

Notes for the facilitators: The FBS curriculum is a flexible document and the learnings of different groups depend on their current knowledge, needs, and expectations of the participants. Note that the participants have the liberty to suggest topics that they think will be useful for the group.

2. Other questions.



Sweet potato growing collaborative group in Cao Quang commune, Tuyen Hoa district, and Quang Thach commune, Quang Trach district, Quang Binh province identified specific topics they think will be useful for their group



Step 4 – Filling out the FBS enrollee form and building FBS rules – 15 minutes

Ask the participants to fill out the FBS enrollee form, including: name, age, sex, qualifications, main livelihoods, crops (in previous and next seasons), animals, farming size next season, estimated production, advantages and constraints in vegetable production and marketing.

Suggested exercise 4. Building FBS rules

- 👉 **Objective:** Building FBS rules
- 🕒 **Duration:** 15 minutes
- 👥 **Form:** Group discussion
- 🖋️ **Materials:** Ao paper, pens

Steps: Tasks of the facilitators:

1. Explain the participants what the FBS rules are and why we have to comply with the rules.
2. Ask the participants to discuss on their own rules. For instance, on time, family members are asked to join the FBS, discussions on a constructive basis, etc.
3. Ask the group leader to sign in.
4. Be able to have a box that keeps fines if anyone breaks the rules.

Step 5 – Time schedule for the FBS – 15 minutes

Ask the participants to take note of time schedules for their FBS. The facilitators also take note.

Training session	Topic	Date/Duration	Venue	Note

PART A: IDENTIFY MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 1: Group formation and strengthening



Session 1

What benefits does production and business as a group bring?

Learning and working together



Objective:

By the end of this session, the participants shall be able to

- 1. Understand the importance of farmer group-based learning and actions in market chain development;*
- 2. Analyze what makes a group successful;*
- 3. Know which kinds of working groups are suitable for them.*



This part is applied to those who are acting in a group or have a plan to form a new group.



The participants are able to discuss and answer the following main questions:

- 1. What are advantages and disadvantages of learning and working together?*
- 2. How does collaboration contribute to the success of the groups?*
- 3. What are the characteristics of a successful group?*



Key learning points

Who are farmer groups?

Farmer groups (in the framework of the project AGB/2012/059) are defined as

- (1) A group of 10 to 30 farmers voluntarily working and learning together
- (2) Have the same goals and benefits on economic improvement and follow the common rules
- (3) Each member has its own role within the group.

Types of groups in Vietnam

☞ Collaborative group: is called by different names such as “common interest groups”, “exchange groups”, “clubs”, and “action groups”. Some of more specific collaborative groups are mentioned as irrigation collaboration groups, pig raising and trading groups, marketing groups, vegetable growing and marketing groups, etc.

Collaborative groups are simple collectives, with at least 3 members and (if any) assets. They have no legal status.

☞ Cooperative: has a minimum number of 7 members or more. Cooperatives have more members, up to the hundreds. Cooperatives require labor distribution and have a legal status.

Advantages to produce and do business as a group

- ☞ Group members are able to share knowledge and experience in production, business and market information.
- ☞ Group members are easy to access to markets.
- ☞ Group members are more confident in production and business.
- ☞ Group members are easy to get governmental support services and donors (e.g. training on production and business skills, etc.).
- ☞ Group members are able to reduce production costs via bulk-purchasing inputs (e.g. seed, fertilizer, etc.).
- ☞ Group members are easy to get support from other members.
- ☞ Group members are easy to get a loan for production investment. If the group has a saving fund, group members are easy to be financially supported.
- ☞ Group members have a stronger voice in their community and locality.

Disadvantages to produce and do business as a group

- ☞ Decision on production and business requires more time.

- ☞ Conflicts may occur during the production and business process.
- ☞ Some group members may not follow common rules.
- ☞ Group members may not cooperate and share knowledge.

Characteristics of successful groups


- ☞ Group members actively cooperate and orient to group benefits.
- ☞ The group leader is active in group facilitation.
- ☞ Group members join the group on a constructive spirit and resolve conflicts.
- ☞ The group and its members develop business plans.
- ☞ Members' income significantly increases.



Learning exercise

 **Duration:** 2 hours

 **Form:** Discussion, interaction within the group

 **Materials:** A4 paper, pens, color

 **Steps**


Step	Content	Duration
1	Working together	30 minutes
2	Benefits to produce and do business as a group	30 minutes
3	Roles of group members	30 minutes
4	Group rule development	30 minutes




Step 1 – Working together – 30 minutes


Explain what advantages of working in a group are.

Suggested exercise 1.1. Working together

 **Objective:** Understand the advantages of working in a group

 **Duration:** 30 minutes

 **Form:** Group discussion and interactions with the participants

 **Materials:** A4 paper, pens, colour papers, papers

 **Steps: Tasks of the facilitators:**

1. Divide the participants into 2-3 small groups (5-6 people/group). Each group assign a group leader.
2. The discussion will be framed under 3 main questions:

+ Have you ever worked together in any activity?

+ Do you know why we need to work together?

+ Do you see any benefit from working together?

3. Provide each group 10 minutes, ask them to discuss and give an example on any successful collaborative activity that they have done. Examples can be community activities or family work (e.g. funeral, wedding, labor exchange in agriculture, etc.).

Ask the participants to imagine the outcome if they had to do the work on their own.

4. Encourage the groups to briefly present.

5. Orient participants to think of learning and working together in production and business.

+ Have you ever cooperated in any production and business activity? (E.g. buying inputs, selling products, seeking the market, etc.)



Step 2 – Advantages in production and business as a group – 30 minutes

The facilitators will start this step by explaining benefits to work in groups.

Suggested exercise 1.2. Advantages in production and business as a group and characteristics of successful groups



Objective: Understand advantages and disadvantages of working in a group



Duration: 30 minutes



Form: Group discussion and interactions with the participants



Materials: No paper, pens, color papers, tape



Steps: Tasks of the facilitators:

1. Ask the participants to list all advantages and disadvantages of working individually and in a group. Be able to start with the following guide questions:

+ What are advantages and disadvantages of working individually?

+ What are advantages and disadvantages of working in a group?

Create a below table and write down opinions.

Content	Advantage	Disadvantage
Individual production and business		
Group production and business		

E.g. Group production and business has advantages: shared work, shared soil or capital, shared experience, cost saving by together buying inputs or transporting, getting good prices by group negotiation, higher profit, meeting more buyers/consumers, etc.

Group production and business has disadvantages: Takes time for decision making, conflicts, hard to create truth, etc.

2. Ask the participants to discuss and point out characteristics of successful groups and write down on an A0 paper. Some of the guide questions as follows:
 - + How does working together contribute to the success of the group?
 - + What are the characteristics of a successful group?
3. Summarize what has been discussed.



Step 3 – Definition of roles and responsibilities of each member – 30 minutes

In this step, for recently formed working groups, the facilitators will guide the participants to assign roles and responsibilities to each member (group leader, group vice leader, and other members). To seasoned groups, where roles of each member has been clearly assigned, the group leader, vice leader and other members will present their roles and responsibilities.

Suggested exercise 1.3. Definition of roles and responsibilities of group members

Objective: Define roles and responsibilities of each member

Duration: 30 minutes

Form: Group discussion and interactions with the participants

Materials: Papers, pens, notebooks

Steps: Tasks of the facilitators:

1. For the recently formed groups:

The participants determine the roles and responsibilities of the group leader and members.

Sample guide questions:

+ If you are the group leader, what do you think should be your responsibilities?

What do you think should be the responsibilities of other group members?

+ If you are group members, what do you think should be your responsibilities?

2. Let the participants discuss. Depending on the size of the group, divide the participants into small groups (5-6 people/group).

3. Let the group write on a board or A0 papers as follows:

Group leader	Member
Manage group activities, build the relationship with buyers	Join in the activities
Organize periodic group meetings for experience share in production and business	Active in knowledge and experience sharing
Active in all activities	Active in production and business
Encourage other members to join in the activities	

4. Lead the group discuss their answers and complete the above table.
5. The group itself assigns the group leader and vice leader (if any).

Note to the facilitators: Consider gender balances: The facilitators need to express with the group leader on a gender mixture of men and women in assignment of roles in group management as well as decision making.



Step 4 – Group rule development – 30 minutes

As the farmers agree to work and learn in groups, it is necessary for them to develop the rules for their own groups. These rules must be developed by group members themselves. Group rules encourage the farmers to act more responsibly. The group rules could be adjusted periodically based on group characteristics (every 6 months, every year, etc.)

Suggested exercise 1.4. Group rule development



Objective: Group rule development



Duration: 30 minutes



Form: Group discussion and interactions with the participants



Materials: Ao papers, pens.

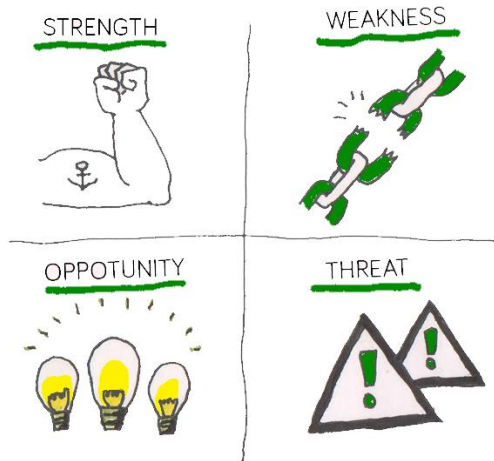


Steps: Tasks of the facilitators:

1. Guide the participants to develop group rules and write on Ao paper.
 - Duration of rule
 - Timeliness and reasons in case of absence.
 - Comittment to information and experience sharing in production and business.
 - Obeying group rules.
 - Activeness and participation frequency in training sessions.
 - Transparene in finance if group savings exist. Take note the amount of money in group fund.
 - Responsibilities of group management board (identify specifically).
 - Rules on savings and loans (if any).
 - Other rules.
2. Hang the board of rules in the place where the group meetings often take place.

PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 1: Group formation and strengthening



Session 2

What and how are the capacities of the groups and each member?



Objective:

By the end of this session, the participants shall be able to assess

- 1. Linkage amongst group members. Strengths and weaknesses of the group are identified;*
- 2. Assesses and capacities of the group and its members.*



This part is applied to the participants that work in a group or expect to form a new group.



The participants are able to discuss and answer the following main questions:

- 1. What capacities and assets are required to pursue the business interests?*
- 2. Which of these capacities and assets do you already have? Are they sufficient for success?*
- 3. Which of these capacities and assets do you lack? How do you plan to acquire capacities and assets that you do not have yet?*



Key learning points

The farmers will strengthen their group when they actually understand the linkages, activities and identify strengths and weaknesses of their group. In addition, each member has to understand their own strengths, weaknesses, opportunities, and challenges.

As soon as they identify their weaknesses, they will think of solutions. Once they think of opportunities, they will think of how to make full use of these opportunities. The moment they understand their group's activities, they will identify roles and responsibilities of each member.

Strengths	Of the group and family. E.g. lots of land, abundant labor, etc.
Weakness	Of the group and family. As soon as weaknesses are identified, think of solutions.
Opportunity	External impacts that bring many opportunities for the group and the family to develop their production and business.
Challenge	External difficulties that the group and family have no control.

Livelihood assets

- ☞ Human (individual capacities): skills, knowledge, health, ability to work, market information, ability to negotiate, etc.
- ☞ Personal assets: land, water, ability to adapt to new demand for production, etc.
- ☞ Tools and infrastructure: production tools, livestock and equipment, road, etc.
- ☞ Group capacities and relationships: membership, informal networks, relationship with traders, relationship with trust that facilitate cooperation and economic opportunities, etc.
- ☞ Financial: savings, loans, income from trade, employment, and remittance, etc.

Competencies for business success

Business success has the following competences¹:

¹ The Agricultural Training Institute. 2015. Farm Business School for the Filipino Farmers. A Facilitator's Manual. Capacity Building of Small Farmers in Entrepreneurship Development and Market Access (TCP/PHI/3402). Philippines. 244 pages.

Cluster	Main competences
Achievement cluster	
Opportunity seeking and initiative	<ul style="list-style-type: none"> - Pays attention to the needs and demands of people. - Acts immediately on marketable ideas. - Understands that the common businesses have high competition in their common markets while niche businesses offer lower competition, resulting in higher revenues and profit.
Risk taking	<ul style="list-style-type: none"> - Calculates risks by identifying the most beneficial alternative courses of action to minimize effect of risks on net profit. - Anticipates loss and counters it with feasible alternatives. - Understands that in business, seasoned entrepreneurs sometimes take on a riskier business to get higher profits.
Demand for efficiency and quality	<ul style="list-style-type: none"> - Performs business tasks better, faster, cheaper without putting aside safety and quality. - Accomplishes tasks by meeting or exceeding standards of excellence.
Persistence	<ul style="list-style-type: none"> - Faces a significant obstacle with a good plan of action. - Identifies a good alternative to every decision to meet a challenge or overcome an obstacle.
Commitment to the work contract	<ul style="list-style-type: none"> - Accomplishes targets on time, as agreed and to the satisfaction of customers.
Planning	
Information seeking	<ul style="list-style-type: none"> - Gathers data, information or feedbacks from clients, suppliers and competitors to use for the improvement of products or services. - Studies the market personally for innovations of new product development. - Talks with experts for technical advice.
Goal setting	<ul style="list-style-type: none"> - Sets goals and objectives which are specific and that guarantees customer satisfaction
Good planning and monitoring	<ul style="list-style-type: none"> - Designs a well-organized plan with clearly defined methods. - Logically flexible for the emergent constraints, challenges and needs.
Power	
Persuasion and networking	<ul style="list-style-type: none"> - Equipped with the skills to advertise products and services to customers - Accomplishes the business objectives; taps key people who can be used as agents or channels to hasten product and service delivery to customers.
Independent and self-confidence	<ul style="list-style-type: none"> - Develops self-trust in the attainment of goals and objectives. - Does not need external approval before acting on constraints and challenges.



Learning exercise

Duration: 2 hours 30 minutes

Form: Group discussion

Materials: A4 paper, pens, color papers, human shaped cards in 4 colors

Steps²:

Step	Content	Duration
1	Identify current and future group linkage (For existing groups)	1 hour
2	Identify the management board/leader (For existing groups)	30 minutes
3	Categorize capacities of the group and individuals (For all)	1 hour



Step 1 – Identify current and future group linkage – 1 hour

The objective is to collect information on

- Structure of the group
- The process of decision making in the group.

Suggested exercise 2.1. Identify current and future group linkage

Objective: Identify structure of current and future group linkage.

Duration: 1 hour

Form: Group discussion and interactions with the participants

Materials: A4 paper, pens, color papers, tape, small human shaped cards for members, big human shaped cards for managers.

Steps: Tasks of the facilitators:

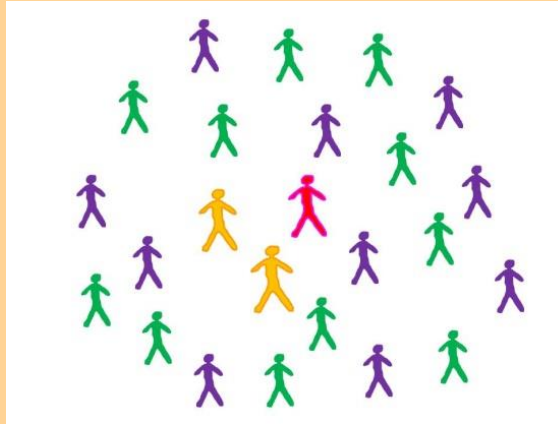
1. Introduce the objective: To understand activities of groups and discuss to find more effective solutions.
2. Explain structure and activities of the group at present.

Notes to the facilitators: You can ask the group to take an example on the last activity.

a. Describe current group structure and discuss on roles of each member: The facilitators ask the participants **to use human shaped cards to describe the group structure.**

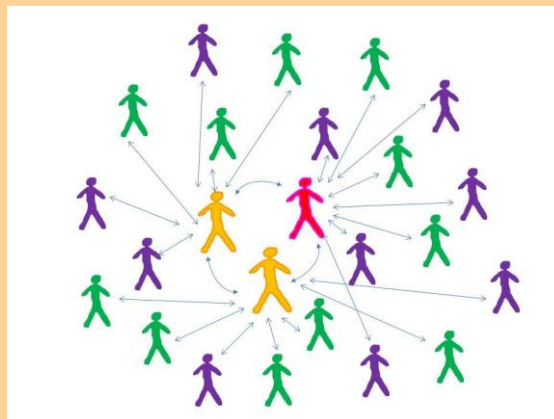
The facilitators question: Why this arrangement?

² Referenced on “Tool on dream road”. Oxfam and CECEM. 2017. GALS. Phase 1. Facilitator’s Manual.



b. Describe the linkage of the group during the implementation of one specific action/decision: Ask the participants “How is the linkage amongst group members help carry out a specific action? E.g. vegetable production or marketing?”

Guide the participants to **use arrows/connecting lines to describe the movement of information and linkage.**



Notes to the facilitators: Pay attention to gender during arrangement. Mark or use different human shaped cards to differentiate Men/Women.

c. Analyze advantages and disadvantages of the current group structure:

The facilitators ask the participants two guiding questions and let them discuss. Write discussions on Ao papers.

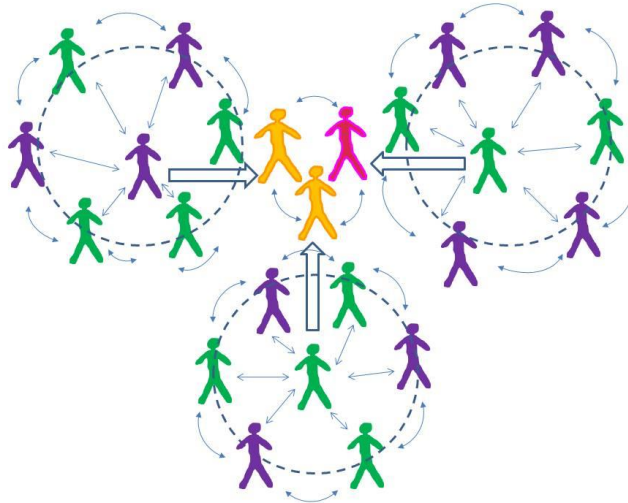
+ Is the group satisfied with this linkage?

+ What can you change to make the group function better?

3. Identify desired structure:

a. Identify desired structure: The facilitators ask the participants “What should you change to make the group better?”

The facilitators ask the participants **to use human shaped cards to describe the desired structure of the group.**



b. Analyze advantages and disadvantages of the future structure:

Ask the participants two guiding questions and let them discuss:

+ What are advantages with such structure?

+ What are disadvantages with such structure?

4. Identify activities that need to be adjusted:

Ask the participants the following guiding questions and let them discuss. Write discussions on A0 papers.

+ What will you do to make the group act more effectively?

5. Ask several participants to present. Encourage others to discuss and give opinions.

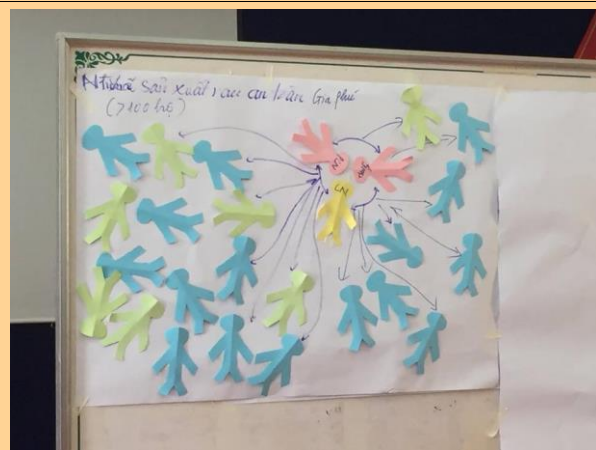


Figure 1: Current structure of Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai province




Figure 2: Desired structure of Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai province




Step 2 – Identify the management board – 30 minutes


This step is to collect information on the management board/leader and identify their demands for knowledge and skill improvement in order to manage the group more effectively.

Suggested exercise 2.2. Identify the management board/leader – 30 minutes

 **Objective:** Understand demands and expectations of the management board/leader

 **Duration:** 30 minutes

 **Form:** Group discussion and interactions with the participants

 **Materials:** Ao paper, pens, color, tape

 **Steps: Tasks of the facilitators:**

1. Introduce the objective:
Identify what the management board/leader needs to improve in their knowledge and skills to manage the group more effectively.
2. Analyze current capacities of the management board/leader. Divide the group into two small groups.
 - a. Identify work that the management board/leader is doing well. Guide groups to discuss the following guide questions:
 - + What has the management board/leader been doing well?
 - + Provide specific examples
 - b. Identify work that the management board/leader are expected to do well. Guide two groups to discuss the following guide questions
 - + Which responsibilities is the management board/leader expected to do better? Why?
3. Identify knowledge and skills that the management board/leader needs:
Guide two groups to discuss the following guide question:
 - + What knowledge and skills does the management board/leader need to enhance group management?

Two groups write on Ao paper as follows:

<i>Adequately Perform</i>	<i>Inadequately Perform</i>
<i>1.</i>	<i>1.</i>
<i>2.</i>	<i>2.</i>
<i>Knowledge and skills that need to be improved</i>	

4. Ask each group to present. Other members contribute opinions.



Step 3 – Individual and group capacity assessment – 1 hour


The objective of step 3 is to help the participants assess their production capacities, market access capacities, and group linkage capacities. Based


on this step, the participants can consider appropriate selection of innovations for their capacities.

Suggested exercise 2.3. Individual and group capacity assessment – 1 hour

 **Objective:** Assessing production, market access, and group linkage capacities

 **Duration:** 1 hour

 **Form:** Group discussion and interactions with the participants

 **Materials:** Ao paper, pens, color pens, tape, color papers

 **Steps: Tasks of the facilitators:**

1. Introduce the objective:

To assess capacities in production and linkage of the group in order to identify demands/needs for knowledge and skill improvement.

2. Identify criteria to assess three levels: e.g. very good, good, and medium:

The facilitators ask questions to help the participants identify indicators to assess three levels: very good/good/medium. Draw three columns on an Ao paper and write down indicators.

Suggestions to identify indicators for production capacities:

- *Who are the best producers in your group?*
- *Why are they considered to be productive? (in terms of knowledge, planting skills, complying with technical rules, etc.)*
- *What is the difference between good producers and very good producers?*
- *What is the difference between medium producers and good producers?*

Suggestions to identify indicators for capacities to link with buyers:

- *Who can best liason with outsiders within our group (e.g. input suppliers, traders, collectors, wholesalers, retailers, restaurants, etc.)? Which levels do they belong?*
- *Which capacities do these members have to liason well with buyers? (e.g. very good producers signing a contract with buyers, good producers building strong trading relationship with buyers, etc.)*

Suggestions to identify indicators for capacities to link with local authorities, bank, etc.

- *Who is able to liason link with local authorities and banks?*
- *Which capacities do these members own to do well? (Abilities to propose an issue, ability to reflect, etc.)*
- *How are these capacities in good groups? How different with other groups?*

Suggestions to identify indicators for market capacities:

- *Which households are selling the most? Which households have stable buyers? Why?*
 - *Which factors contributes to stable marketing? (e.g. signing contracts with buyers, seeking information on consumer preference, etc.)*
3. Explain to the participants that based on mentioned indicators, categorize themselves and other members in different categories.

Ask why they arranged this way?

4. *Identify desired objectives/changes:*
 - *Which changes in these categories does your group want for next year/season?*
 - *When can medium groups be arranged into good ones?*
 - *When can good groups be arranged in very good ones?*
 - *Which groups do you belong to? If you belong to a medium group, which knowledge and skills do you need to improve?*
5. *Ask participants to discuss on solutions for group improvement. Encourage participants to present and share opinions.*

Gia Phu SAFE VEGETABLE COOPERATIVE			
<i>Very Good Group</i>	<i>Good Group</i>	<i>Medium Group</i>	
<ul style="list-style-type: none"> - Area: 0.5-1 ha - Yield:>5 tons/season (2 seasons per year) - Revenue: >100 mil VND/year - Have technical knowledge (10 scores) - Know how to do accounting - 100% of produce under safe production - Invest in cement pillars, facilities (20-40mil VND) - Update market information frequently 	<ul style="list-style-type: none"> - Area: 0.2 – 0.8 ha - Yield: 2-4 tons/season (2 seasons per year) - Revenue: 50-80 mil VND/year - Have technical knowledge (7-8 scores) - Know how to do accounting - 70-90% of produce under safe production - Invest in cement pillars, facilities (10-15 mil VND) - Update market information frequently 	<ul style="list-style-type: none"> - Area: 0.2 – 0.8 ha - Yield: <2 tons/season (2 seasons per year) - Revenue: <40 mil VND/year - Have technical knowledge (5-6 scores) - Know how to do accounting - <50% of produce under safe production - Invest in cement pillars, facilities (<10 mil VND) - Not update market information frequently 	<i>Production capacities of Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai province</i>
<ul style="list-style-type: none"> Year 2016 95 households Year 2017 105 households (increase) 	<ul style="list-style-type: none"> 67 households 75 households (increase) 	<ul style="list-style-type: none"> 23 households 18 households (decrease) 	<i>Solutions to improve production capacities of Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai province</i>
<ul style="list-style-type: none"> <i>Solutions</i> - Get technical knowledge and experience from training and villagers/ outsiders - Apply knowledge to production - Update market information frequently - Frequently support each other in selling 	<ul style="list-style-type: none"> - Learning visits to get experience - Build relationship with other actors 		

<i>Gia Phu SAFE VEGETABLE COOPERATIVE</i>			<i>Market capacities in vegetable production of Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai province</i>
<i>Very Good</i>	<i>Good</i>	<i>Medium</i>	
<ul style="list-style-type: none"> - Have certificate for safe production - Update information on demand and prices frequently in order for production adjustment - Have written contracts with partners - Good in negotiation skills 	<ul style="list-style-type: none"> - Have certificate for safe production - Update information on demand and prices frequently in order for production adjustment - Have oral contracts with partners 	<ul style="list-style-type: none"> - Have certificate for safe production - Update information on demand and prices not frequently in order for production adjustment - No contracts with partners 	
<p><i>Year 2016</i> 80 households</p> <p><i>Year 2017</i> 85 households</p>	<p>90 households</p> <p>92 households</p>	<p>15 households</p> <p>8 households</p>	
<p><i>Solutions</i></p> <ul style="list-style-type: none"> - All households need to be trained frequently and updated information on negotiation skills, skills to develop a contract, skills for marketing - All members need to be trained on marketing skills - All members need to be active in seeking buyers - Develop the brand for the produce - Promote products under different ways, etc. 			<p><i>Solutions to improve market capacities of Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai province</i></p>

PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 1: Group formation and strengthening



Session 3

How to envision your business in the future?



Objective:

By the end of this session, the participants shall be able to envision their business in the future.



The participants discuss and answer the following main question:

1. How has group and family businesses performed after 6 months, 1 year, and 1.5 years?



Key learning points

A common issue for farmers is that they hardly spend time to think of what they want in the future.

A clear vision and specific objectives for short, medium and long term can help farmers plan their production and business activities more easily and proactively. The more specific the objectives, the better the farmers envision their business.

Objective	6 months	1 year	1.5 years
Production	What do you want to produce? What do you want to change in order to improve current production? How much land area do you want to expand?		
Marketing	Which customers do you want to approach? How much volume do you want to sell?		
Knowledge and skills	Which technical knowledge do you want to apply? Which business skills do you need to improve?		
Tools	Which production tools will you require (e.g. net house)?		
Production distribution	How do you assign group members in production?		

With each of these objectives, farmers can identify pathways and solutions to achieve them.



Learning exercise

Suggested exercise 3.1. Business visioning³

Objective: Identify business vision for the future

Duration: 2 hours

Form: Group discussion and interactions with the participants

Materials: A0 paper, pens, color pens, tape

Steps: Tasks of the facilitators:

1. Divide participants into small subgroups (7-10 persons/group)
2. Prepare A0 papers and questions for participants to discuss.

+ Have you ever set up a business vision and objective for your own family and/or your group (e.g. increase volume of products sold next season; sign a contract with a supermarket next year, etc.)? What did you do?

³ Referenced on "Tool on dream road". Oxfam and CECM. 2017. GALS. Phase 1. Facilitator's Manual.

Let the participants discuss and explain them that setting up specific objectives will help them develop business plans better.

3. *Desires in the future*

- Ask the participants to first draw a circle or a square that describe the future goals (next season or in 3-6 months). Prescribe a specific time.

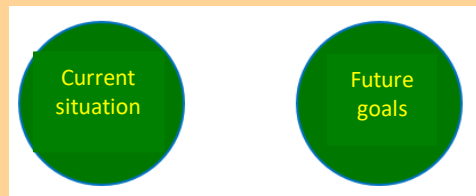


- Ask the participants the following:
 - + What positive changes do you expect your family/group to have in next season? How about production? How about marketing? How about segmentation in production?

- Encourage the participants to discuss and write in Ao papers.

4. *Describe current situation*

- Ask the participants to draw the second circle or square to describe the present. Write relevant time.

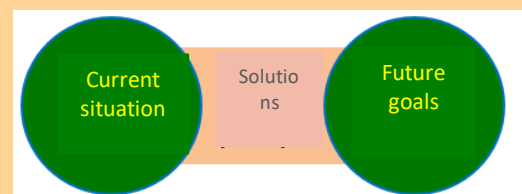


- Ask the following:
 - + At present, how is your group/family producing? How is the marketing? Do you collaborate with other households in production allocation?
- Encourage the participants to discuss and write in Ao papers.

2. *Identify activities that need to be carried out to reach the set objective*

- The facilitators ask questions:
 - + From now on, which activities need to be done to achieve your objectives?
 - + Which knowledge and skills need to be improved?

- Encourage the participants to discuss and write down in 2 circles or squares.

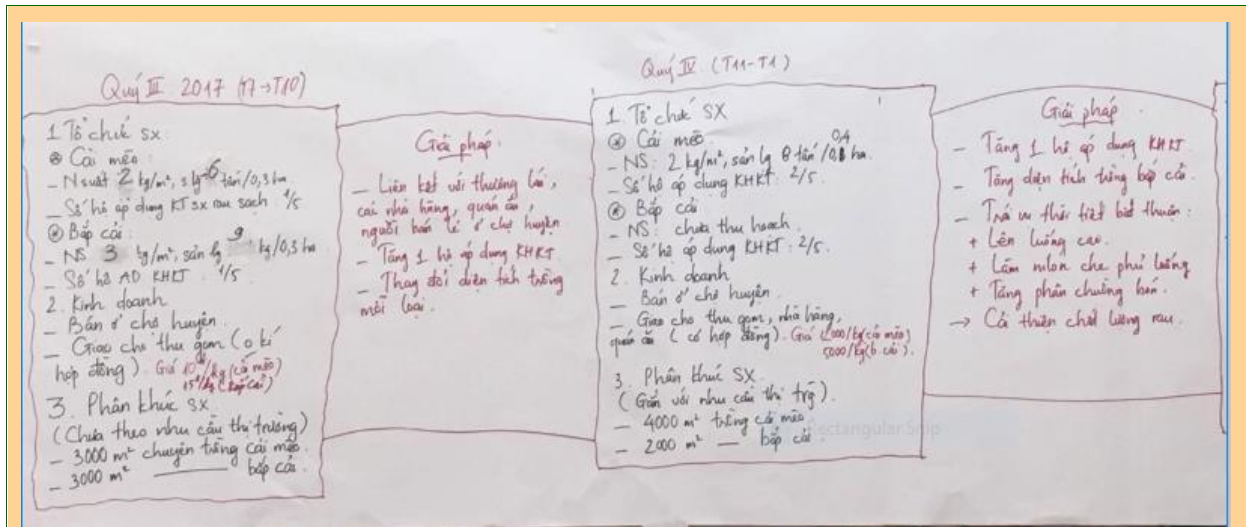


3. *Encourage participants to discuss, present and share opinions.*

Notes to the facilitators:

This exercise is able to be done in short term (6 months), medium term (1 year) and long term (3 years).

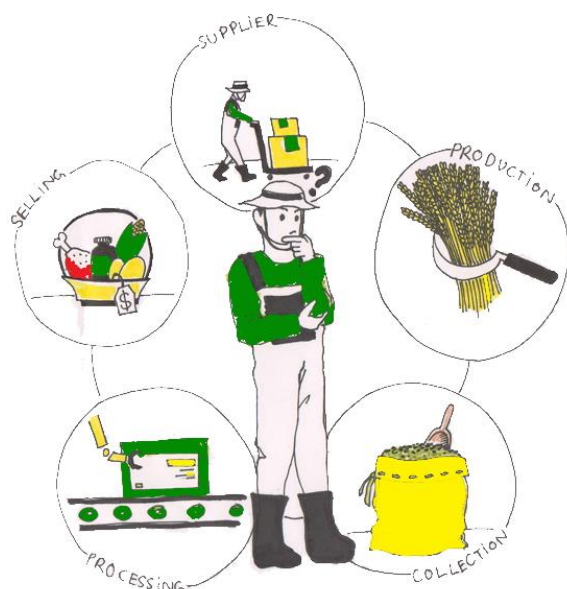
Applicable for farmer groups and group members.



Business visioning of Di Thang Cooperative, Na Hoi commune, Bac Ha district, Lao Cai province

PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 2: Market/value chain concepts & innovations



Session 4

Do you want to participate in a value chain?



Objective:

By the end of this session, the participants shall have good understanding

- 1. Value chains and roles of the market/value chain actors;*
- 2. The importance of value addition.*



Guide this part to newly formed groups and/or to participants who have not been guided on market/value chains. For participants who have basic knowledge already, the facilitators will go directly to Module 3. "Identifying market opportunities".



The participants can discuss and answer the main questions:

- 1. Via whom are products transferred? What are their specific roles in the chain?*
- 2. Who do you sell your products to?*
- 3. How to increase added value for products?*



Key learning points

A good understanding on market chains, value chains, business, and the role of other actors within the chain will help the farmers have a better approach to markets and actors. In addition, the farmers will know the importance of increasing product value when entering the market.

What is a “Chain”?⁴

A “Chain” describes the linkages between people and organizations involved in producing and marketing agricultural products.

What is market chain and value chain?

Market chain	Value chain
<ol style="list-style-type: none"> 1. A set of linkages between actors where there are no formal and informal relationships. 2. One-off transaction, buy and sell 3. No long-term relationships with buyers, lack of trust 4. Farmers as price takers 5. Little understanding of market needs 	<p>A specific type of chain where actors actively seek to support each other.</p> <ul style="list-style-type: none"> - Longer term relationship between buyer and selling, building trust - Exchange of market information, potential to innovate - Negotiation of prices, quality standards, supply continuity, etc. - Value addition - Potential for collective agreements

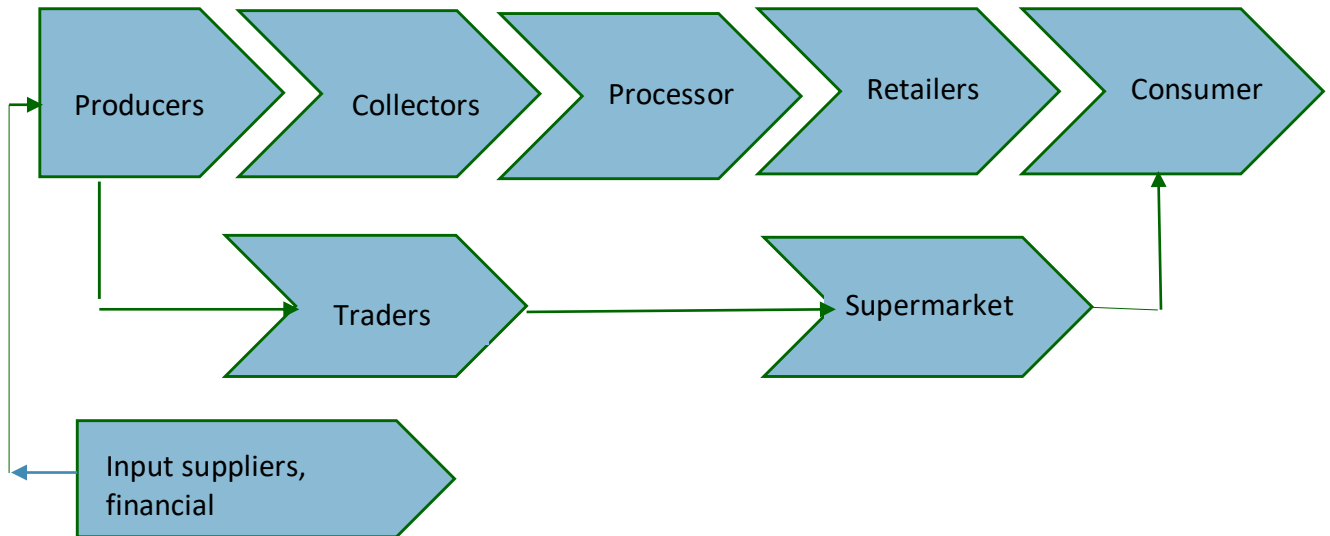
Why do we need to understand market/value chain?

- ☞ To orient to the market before making decision on production.
- ☞ To improve fairness throughout the chain, while adding value to the end product.
- ☞ To identify who are the targeted buyers.
- ☞ To understand the needs of the market in order to seize new business opportunities.

Who are actors in the chain and where do you stand?

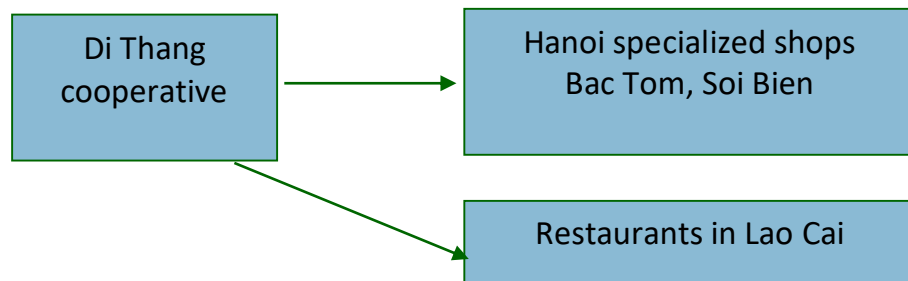
⁴ Referenced on *DA-CHARMP2 and CIP-FoodSTART. 2014. Farmer Business School: Facilitator's manual.* Department of Agriculture – Second Cordillera Highland Agricultural Resource Management Project and International Potato Center – Food Security Through Asian Roots and Tubers Project. Manila, Philippines. 124 pages.

- ☞ Direct actors: producers, collectors, traders, processors, wholesalers, retailers, restaurants, supermarkets, and consumers.
- ☞ Indirect actors: service providers (input suppliers, transporters, extension agents, marketing companies, and financial service providers).



Relationship amongst market/value chain actors and service providers

- ☞ Transactional: concerned only with one-time buying and selling. For instance, farmers produce and sell products at the market without no relationships with any buyers.
- ☞ Longer term: building trust and leading to market information exchange overtime. For instance, farmers normally sell products to one restaurant, they exchange market information on consumer preference, prices, etc.



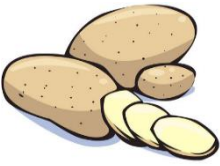







- ☞ Horizontal linkages are linkages between actors at the same level of the value chain, e.g. farmers working together with other farmers to buy inputs and sell products in order to reduce costs, ensure the quantity of buyers, and orient to a sustainable business, etc.
- ☞ Vertical linkages are the relationship between actors along the chain via formal or informal contracts/agreements, e.g. farmer groups linked with enterprises via farming contracts, in order to reduce costs, get timely market information, ensure product selling.

Understand about the value added

The farmers might observe that raw products (e.g. cabbage, tomato, etc.) are sold at lower prices compared with the same products sold at higher prices after sorting and packaging. It is value added. A value-added product simply means the actors implement some activities such as cleaning, sorting, packaging, processing, etc.

The higher price will cover the cost of activities, plus a margin. Value can be added at any point from farm to retail levels.

Value can be added through production, post-harvest handling or through processing:

Adding value through production	Adding value through post-harvest handling		Adding value through processing	
			From	From
Safe production (VietGAP, safe production, organic production, etc.)	Cleaning	Drying	 <p>Potato</p>	 <p>Potato chips</p>
	Grading/ Sorting	Cooling/ Boiling	 <p>Bitter melon</p>	 <p>Dried bitter melon</p>
	Packaging	Transport to storage	 <p>Fresh plum</p>	 <p>Plum sweets</p>
			 <p>Cucumber</p>	 <p>Pickle cucumber</p>



Learning exercise

Suggested exercise 4.1. Actors in the market/value chain

Objective: Understand characteristics of actors involved in market/value chains

Duration: 1 hour

Form: Group discussion and interactions with the participants

Materials: Ao paper, pens, color, video on value chains

Steps: Tasks of the facilitators:

1. Show a video on market/value chain of selected products. Give 10 minutes to the participants to discuss on what they have just seen.

+ What do you think about the market/value chain mentioned in the video?

Explain the market/value chain based on “Key learning points” mentioned above

2. Divide the participants in small groups (4-6 participants/group). Two groups can work on the same products so that it is easier to compare.

3. Ask the participants to choose at least two products (e.g. vegetables, fruits, livestock, etc.) that they produce and want to develop a better understanding of the entire market/value chain. Ask the participants discuss on their experience in participating in the value chain. Write some questions on the Ao paper and show the example:

+ Which agricultural commodities are you producing?

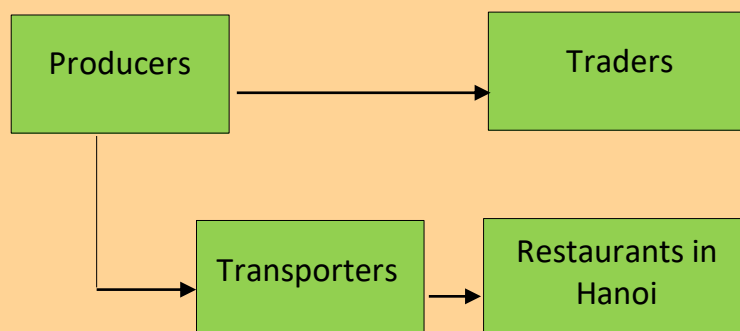
+ What are end products?

+ Who are actors involved in the value chain? (e.g. traders, wholesalers, retailers, supermarkets, restaurants, etc.) What are their specific roles in the chain? Where are you in the value chain? How do you and they bring products to the market?

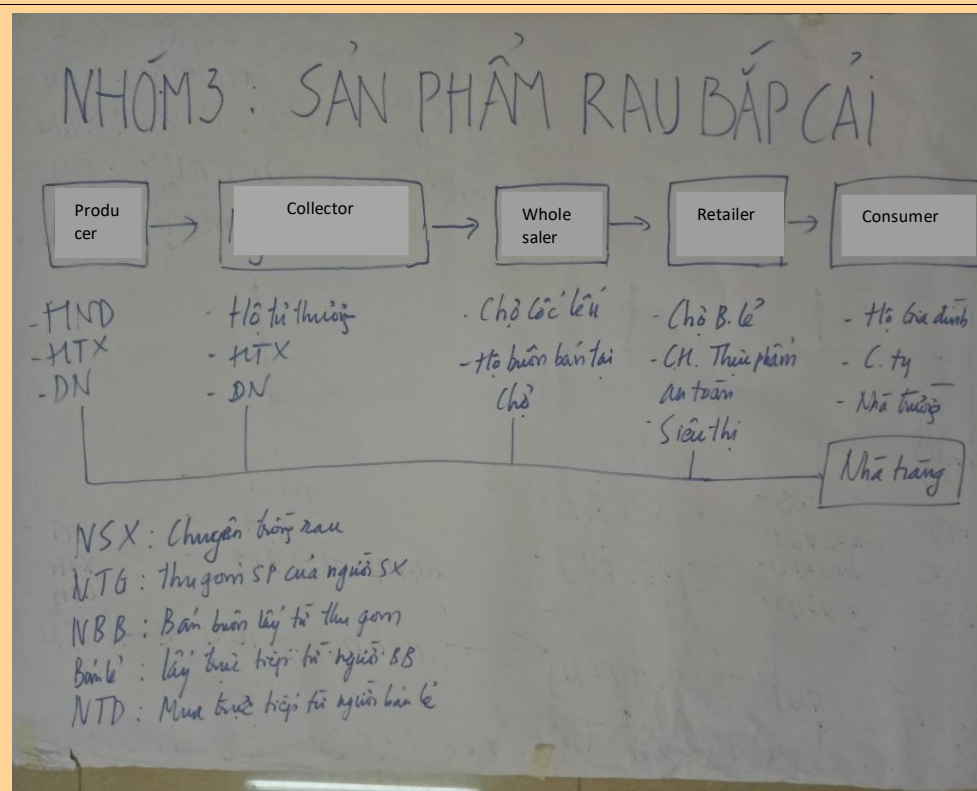
+ What is the relationship between you and other actors in the chain?

Notes for the facilitators: The facilitators can ask the participants to draw the market channels they have involved based on the current situation of the group.

Concerning gender aspect: Guide the participants to think of different characteristics of female and male buyers.



4. After finishing the exercise, ask the group to present.
5. Discuss with participants about the map they have just drawn.



Value chain of cabbages of Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai province

VALUE ADDED⁵

Suggested exercise 4.2. Value addition

- Objective:** Guide the participants on how to add value to their products
- Duration:** 1 hour
- Form:** Group discussion and interactions with the participants
- Materials:** Ao paper, pens, color papers, tape, picture, product sample
- Steps: Tasks of the facilitators:**

1. Before starting with this section the participants must obtain information on the price of 1 kg of fresh cucumbers and 1kg of picked cucumbers; or look for a product that is common in the area.
2. Show two potatoes -- one clean, the other, dirty. Ask the participants that if they would buy potato, which one of the two would they choose? (Most may say the clean one). Ask them if a sack of clean potatoes and a sack of dirty potatoes were kept in a shop, which would be likely to fetch a higher price? Why?
3. Now show participants the three packets of vegetables (or other suitable commodity). Ask them that if they were to take the three forms of vegetables to

⁵ Referenced on Agricultural Training Institute. 2015. Farm Business School for the Filipino farmers. A facilitator's Manual. Capacity Building of Small Farmers in Entrepreneurship Development and Market Access (TCP/PHI/3402). The Philippines. 244 pages.

the market, which one do they think will fetch the best price? Why? Hold up the nicely packed one and ask how many of you think this will fetch the highest price? Why? Which packet of vegetables is likely to receive the lowest price? Why? Guide the discussion towards the fact that price was enhanced due to:

+ Quality

+ Cleaning

+ Grading

+ Packaging

- 4. Explain to the participants that this discussion is about “Value addition”. Now show participants the fresh cucumbers and the pickled cucumbers. Explain that the main input for pickled cucumber is cucumbers. The price of 1 kg of fresh cucumbers 20,000 VND but the price of 1 kg of pickled cucumbers is 40,000 VND.*

Guide the participants to discuss why the pickled ones are more expensive than the fresh? Lead the discussion to the understanding that the pickled one are more expensive because value has been added to the cucumbers through processing. It is important to also consider the cost of processing the fresh cucumbers to pickled ones.

- 5. Divide the participants into 3-4 small groups (depending on the number of participants). Ask them to choose one type of products for discussion “How to increase the value of products via production, post-harvest handling and processing?”*

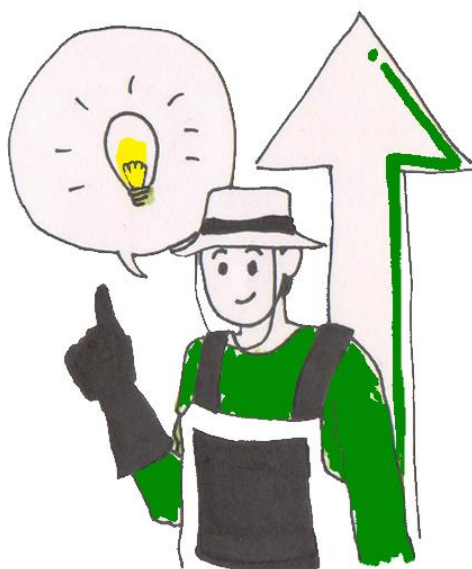
Ask them to list all activities and write down on Ao paper.

Notes for the facilitators: *The facilitators prepare one poster on ways of value addition in Key Concept and hang on.*

- 6. Ask each group to present their results. Each group participant will present each activity. After that, ask other groups to provide their opinions. Have they left anything out? Have they put something that does not actually happen?*

PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 2: Market/value chain concepts & innovations



Session 5

How to help the farmers strategically think of innovating their business in the market/value chain?



Objective:

By the end of this session, the participants shall strategically think of starting and/or innovating their business.



Only guide this part to newly formed groups and/or to participants who have not been guided on business skills. For participants who understand these key concepts already, go directly to Module 3 "Identifying market opportunities".



Participants to discuss and answer:

How to strategically think of starting-up and innovate their business?



Key learning points

Why do we need to innovate our business?

Starting-up or innovating a business is creating a new product/service for the market, redesigning an existing product/service, or establishing beneficial structural changes within the organization. The market demand fluctuates frequently. One product/service may be good for a particular season but not for the next. Farmer needs to anticipate market demand in order to have timely innovations or improvements.

Starting-up or innovating a business aims to:

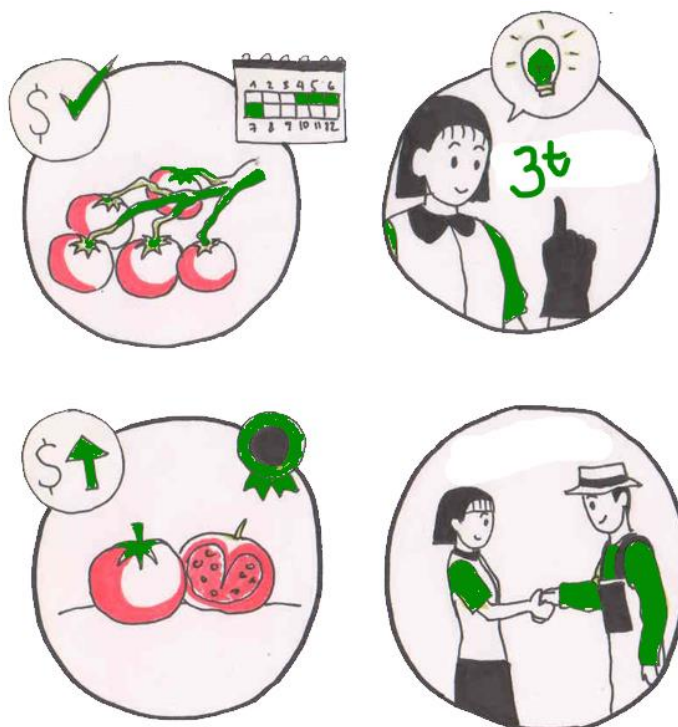
- ☞ Attract attention towards products, resulting in higher prices.
- ☞ Create products that meets the market demand.
- ☞ Minimize risks in business.
- ☞ Increase family income.

Example 1: Last year Mr. Thang grew tomatoes during the winter season from October and harvested them in January. It was the time of the main tomato season, which meant the price of tomatoes were low due to a high supply from many producers. This year, after collecting and analyzing market information, as well as receiving tips from a trader who he sells tomatoes to, he decided to grow tomato in the off-season from April and harvests in July. As a result, this brought him higher profits from the high selling price of tomato.



Example 2: Every year Mrs. Hoa often grows tomato in off-season from April and harvests in July. Profits from tomato production is quite good. This year, after studying and analyzing growing seasons, technique, the market, and receiving advice from a tomato retailer who buys her produce, she decides to grow 3 weeks earlier. As a result, profits gained from tomato production is much higher than that in previous

years. In addition, Mrs. Hoa collaborate with Mr. Thang and other farmers with their village to supply tomato to a big market and restaurants.



Example 3: Mrs. Giang Thi Sen in Bac Ha often makes brocades for her own family's consumption and has never thought of selling them. This year, she noticed that many tourists really liked her brocade. She then identified a market demand and consumer preference through asking tourists, finding information via internet and asking shop owners. In the end, she began designing brocades and sold them at local markets.



How to help the farmers strategically think of innovating/ improving their business in the value chain?

In production and business, many farmers have the habit of not assessing the market and value chain, their capacity, their financial resources, etc. before starting-up a business or making innovations/improvements in business. They may have imitated other farmers who made profits from their production and business. As a result, they

have high chances of failure as the innovation/improvements are beyond their capacity, or the the market has become saturated and highly competitive, meaning that profits may decrease.

In order to be successful in business, the farmer needs to thoroughly think of all aspect in business. These include:

Production

- ☞ What are the needs of the market and buyers/consumers? Are you going to produce or innovate/improve products that satisfies the market needs?
- ☞ What skills are required to carry out these business activities? Do you have them? Who can you can ask for advice?
- ☞ Do you have enough capital to invest in your business? Where can you borrow money?
- ☞ Do you have enough labor for your business?
- ☞ Do you know whether your business brings profit? Should you do business on product A or B?

Market

- ☞ Do you know how to collect market information? From whom or where?
- ☞ Who are your main buyers? Do you have any relationship with your buyers? What do they demand from your products (appearance, quality, or price)?
- ☞ How do you bring products to the market?
- ☞ Do those products have potential to develop in the future? E.g. are they key products of the economic development strategy of the locality?

Think of only products	Think more strategically
I have just learned technique to do sanitary vegetable production and will apply it to my fields as I have enough land.	<p>I observe that many consumers prefer safe vegetable because they are concerned about their health. Prices of safe vegetables are higher than conventional ones. I have good relationship with a shop in the city who wants to purchase my vegetables.</p> <p>I am already growing an indigenous species that brings more profit. My soil is quite fertile and I have learned techniques of safe production from extension workers. I have experience in vegetable production so it is not difficult to learn sanitary production. In addition, I have enough money to invest in new type of production. Therefore, I will innovate to grow sanitary vegetable next season.</p>
I visited a hybrid pig raising models and find that it is quite easy to raise them. The price is quite high. I also want to try.	I observe that hybrid pig raising attract a lot of producers. I think the competitiveness will be high. Many restaurants order hybrid pigs, yet many consumers prefer indigenous pigs. Therefore, while hybrid pig raising models are attractive to me, I will try to develop it in congruence with raising indigenous pigs.



Learning exercise

 **Duration:** 2 hours

 **Form:** Group discussion and interactions with the participants

 **Materials:** A4 paper, pens, color papers, tape, picture if possible

 **Steps:**


Step	Content	Duration
1	Reasons to start-up or innovate business	1 hour
2	Think strategically of innovating their business in the value chain	1 hour




Step 1 – Reasons to start-up or innovate business – 1 hour


The participants discuss main reasons to start or innovate business. These reasons will orient their decision in production and business.

Suggested exercise 5.1. Reasons to start or innovate business

 **Objective:** Understand reasons why the participants want to start or innovate business

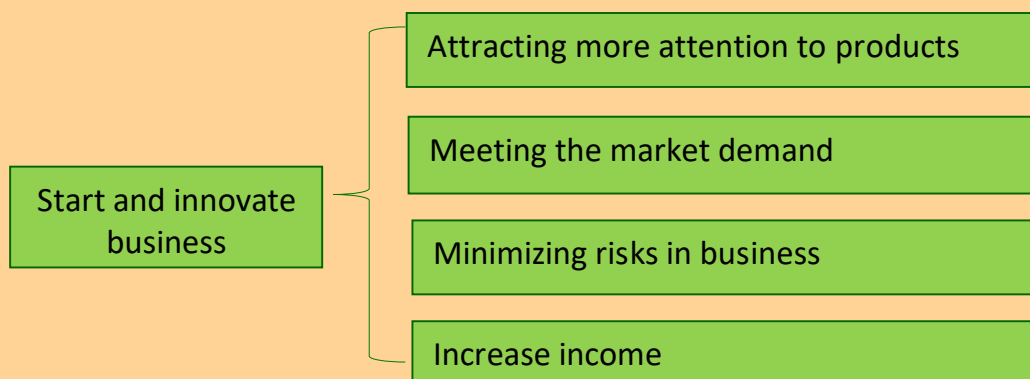
 **Duration:** 1 hour

 **Form:** Group discussion and interactions with the participants

 **Materials:** Ao paper, pens, color papers, tape, picture if possible

 **Steps: Tasks of the facilitators:**

1. Firstly, write some questions on the Ao paper and ask participants to think of reasons why they want to start or innovate/improve business.
 - What are you producing to earn money for your family?
 - When did you start?
 - Compared with the previous years, what did you innovate and why?
 - What considerations did you take into account when starting-up or innovating your business?
2. Encourage the participants to think and provide answers.
3. Divide the participants in 2 groups and show available examples for them to discuss. Then ask the participants to analyze what they have learn from the examples.
4. Then the facilitators summarize answers into main points and ask the participants write on cards and stick on the Ao paper like this.



5. Finally, summarize reasons to start up or innovate business based on market demand.

Step 2 – Think strategically of starting or innovating their business in the value chain – 1 hour



In Step 2, the participants are guided to think strategically of starting and innovation their business.

Suggested exercise 5.2. Think strategically of starting or innovating their business

Objective: Guide the participants to think strategically in business

Duration: 1 hour

Form: Group discussion

Materials: No paper, pens, color papers, tape, picture if possible.

Steps: Tasks of the facilitators:

1. Divide the participants into 2-3 groups depending on size of participants.
2. Give the pictures with the available example on Mr. Thang and Mrs. Lieu. Ask the participants the question: “Which method you think is better, Mr. Thang’s or Mrs. Lieu’s? Why?” Give them 10 minutes to discuss.
3. After 10 minutes, ask each group give their answers.
4. Explain to the participants: “Mrs. Lieu’s method is more effective because she thinks of product selling before making production decision. In addition, she considers other resources of her family”.

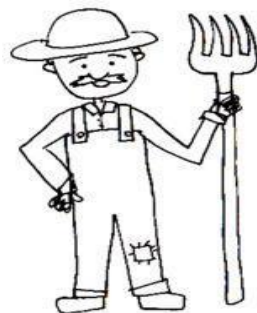


Next October, I will grow cabbage because my soil is very fertile and I have just learn techniques to grow cabbage.



In April, I will plant off-season cabbage, as my buyers have said that it could bring higher profit due to higher prices, less costs, and more potential consumers. There are not so many off-season cabbage producers. Meanwhile, my family has a lot of laborers and the soil is quite good. I can ask for technical expertise from extension workers. I can earn a lot of money. Next season, I need to increase the value of products by good packaging as I observe that products will be sold at higher prices.

Mr. Thang



Mrs. Lieu



PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 3: Market assessment and market opportunities



Session 6

How to identify and assess market opportunities?

6a. Conducting a visit to the market and identifying market/value chain actors



Objective:

By the end of this session, the participants shall

- 1. Apply methods and tools in market assessment;*
- 2. Collect relevant information for target market chains*



This part requires actual visits to the market, the participants must be very active and prepare good for the visit.



The participants can discuss and answer the questions

- 1. What are different actors/outlets available for the product?
Characteristics?*
- 2. What kind of products do they want? What quantities do they want?
Prices?*
- 3. What are some problems in selling product (e.g. loss during transportation)?*



Key learning points

The list of topics or questions to ask during the assessment for each chain actors

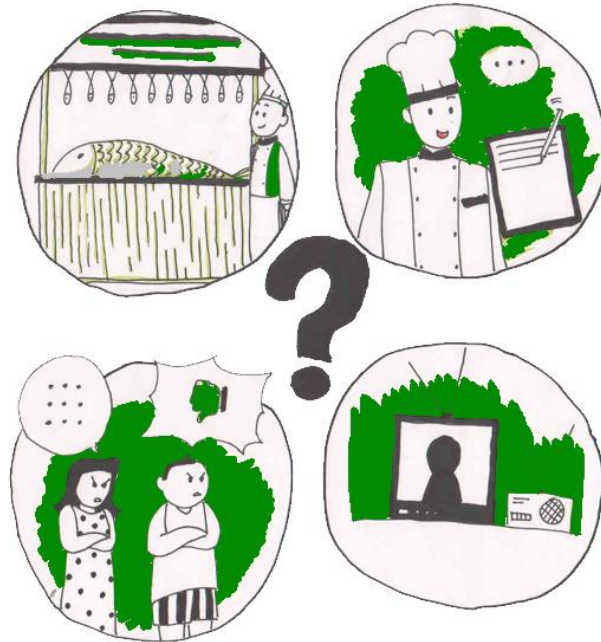
- ☞ Market and buyer/consumer demand: include time-trends in products' supply and demand (e.g. seasonality in price and volume) and consumer preferences (e.g. appearance, quality, size, variety, packaging, etc.)
- ☞ List of different actors that contribute to the value of the product. Need to consider gender aspect. In addition, list of input suppliers and other business service providers is needed and detailed information on service they provide.
- ☞ Requirements of actors in the market/value chain: include formal or informal contracts/agreements.
- ☞ Mode of payment for products (e.g. payment after the products are sold, every three-month payment, etc.)
- ☞ Problems or constraints occurring during the market/value chains will be used to identify opportunities for adding value: include problems in transportation stages, etc.
- ☞ Opportunities for potential products.
- ☞ Other information (e.g. what happens if the products cannot be sold).
- ☞ **Direct observation:** Observe products and requirements on products that are bought in the market, supermarket, restaurants, etc.

Ways to collect marketing information and demand

There are some ways the farmer can collect market information.

- ☞ **Direct observation:** Observe products in the market (in wet market, supermarkets, restaurants, etc.) and requirements of consumers.
- ☞ **Direct information from actors along the market/value chain,** such as directly talk with consumers (housewife, villagers, etc.), buyers (restaurant and supermarket managers, traders, etc.), and service providers. For example, Mr. Nguyen Van Kien intends to grow tomato to sell to restaurants in Bac Ha town. Prior to decision making, he asks restaurant owners information on their requirements and consumers' preference and input shop owners on prices, etc.
- ☞ **Direct information from buyers who are not satisfied with products.** These buyers are able to point out shortcomings of products or services you provide. For instance, last year Mr. Giang A Pao sold cabbage to Mrs. Ly, a collector in

Lao Cai market. However, after one season, Mrs. Ly did not want to buy from him for some certain reasons: cabbages were too big while consumers want the small ones, safe cabbages are preferred, Mr. Pao normally did not supply cabbages on time, etc. Therefore, feedbacks from Mrs. Ly might be useful market information for potential innovations.



☞ **Information from mass media** (e.g. radio, television, loud speaker) and other information sources (e.g. local staff, project staff).



Learning exercise

Suggested exercise 6.1. Visiting market

👍 **Objective:** Finding market information

🕒 **Duration:** 3 hours and 30 minutes

👥 **Form:** 30 minutes for instruction and 3 hours for market visit (can be done in a few days)

🖋️ **Materials:** Notebook, pens, color papers, markers, list of questions

📄 **Steps: Tasks of the facilitators:**

1. Divide the participants into small groups. Ask the participants to review the map of market/value chain they worked on in last session.

Notes for the facilitators before organization of a market visit and collecting information from market/value chain actors:

- Identify the best time to visit the market. Considering the seasonality of products, etc.
- Identify and contact buyers/actors that the participants can get

information.

- Help the participants to check information.
- **Encourage participants to collect information from frequent buyers.**
- **Consider gender aspect when the participants study information on market/value chain actors.**

2. Ask the participants “How do you get market information?” Give them 15 minutes to discuss and ask the participants to write on cards and stick on an A0 paper. Then ask the probing questions “Are there any other ways to get market information?” Give them 5 -10 minutes to discuss.

Methods to get information	
Ask value chain actors (collectors, wholesalers, supermarkets, specialized shops, etc.)	From local authority
Ask villagers or relatives	Via project staff
Ask info. from consumers	From mass media
Others	

3. Before visiting the market, guide the participants on what information needs to be collected:

- What products do you want to examine?
- Who are your existing buyers? Who are your potential buyers?
- What are requirements/ characteristics of products your potential buyers want?
- What are the ways to bring your products to the markets?
- Which different outlets are available for the products?
- What is the wanted volume of products from the outlets?
- What problems could occur during transportation?

4. Ask the participant to use the form to collect market information on demand especially from buyers you identify in **Section 4**: Do you want to participate into a value chain?

Consumers:

Where:

+ Mainly female or male? Live in cities, town or rural areas?

+ What vegetables do they often buy?

+ Do their buyers require high product quality or not require much on product quality?

+ How do their buyers ask for products? (size, appearance, package, local variety, etc.)?

+ How much are they willing to pay (for specific products)? Which timing are products sold at high or low prices? What are characteristics of products are sold at high or low price?

+ How often are these vegetables available in the market?

Farmer groups

Where:

- + What products are those groups producing? Why do they produce them?*
- + Which techniques do they apply?*
- + How do they sell products? Prices?*
- + Who are their buyers? How do they maintain the relationship with buyers?*

Collectors/Traders/Retailers

Where:

- + What are the main vegetables that you are buying? At what price/unit (specify)? Why? Quantity per week?*
- + Who are your suppliers (individual farmer, coop, farmers' group, agent/assembler or wholesaler)?*
- + Where do you sell the vegetables that you are buying?*
- + Which time periods are certain products sold at lower/ higher prices? What are characteristics of products are sold at high or low price?*
- + Do you still have market demand for other vegetables? If yes, what are they?*
- + What are problems have you encountered during transporting products?*
- + What kind of processed products (may need to refer to a specific raw product) your buyers know and like? Requirements on appearance and prices?*
- + Which farmer groups do you like to buy from? Why? (specific characteristics, e.g. these farmer groups have their own collectors).*

Transportation services:

Where:

- + What are the different vegetables do you usually transport?*
- + How much is the cost of transport per kilo/per bag (or other units)?*

Processing enterprises:

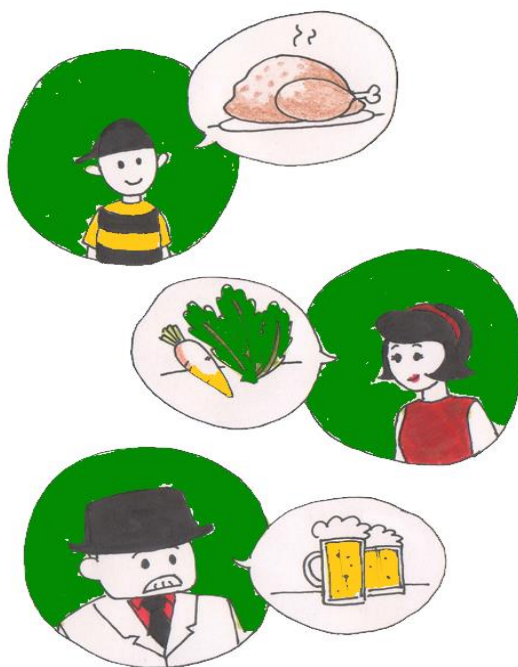
Where:

- + What kind of end products from raw materials are you processing?*
- + Compared with raw materials, how much is the added value? (For example, 1 kg of fresh cucumbers and 1 kg of pickled cucumbers?)*
- + Does your enterprise buy raw materials from farmers? Or do you produce by yourselves?*

5. *The participants need to ensure that all things related to logistics must be carefully prepared before the market visit.*

PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 3: Market assessment and market opportunities



Session 6

How to identify and assess market opportunities?

6b. Identifying and assessing market opportunities



Objective:

By the end of this session, the participants shall identify market opportunities.



This part is an analysis and discussion of results collected from the exercise in Suggested activity 6a. "Conducting a visit to the market and identifying market/value chain actors".



The participants discuss and answer the questions:

- 1. How are the market opportunities identified?*
- 2. What are the problems in producing and selling products that can be turned into opportunities for value addition?*



Key learning points

Information obtained from the market visit

- ☞ List of potential buyers and markets: information and requirements on products, mode of payments, marketing, etc.
- ☞ List of products and volume or requirements relevant to each actor.
- ☞ Table of prices and profit margins (if possible) along the value chain.
- ☞ List of current and potential buyers.
- ☞ List of input suppliers and business service providers.
- ☞ List of problems or constraints in the market/value chain that identify opportunities for adding value: include problems in transportation, grading & sorting, etc.

Market opportunities

From the analysis of the market/value chain visit, the farmers can identify opportunities to change production and marketing activities to meet the demand of buyers in the marketplace.

Market opportunities include:

- ☞ A need of buyers on products or services that is not fully severed; for instance, shop A needs H'mong mustard, but does not know farmers who grow and sell these vegetable. Prices for off-season vegetable increase in May to July.
- ☞ A need of buyers on products or serviced that is not fully severed because of low supply, unstable or seasonal supply; for instance, shop A buy products of farmer B, however, the volume is unstable.
- ☞ Risks or difficulties in business that can be addressed; for instance, loss after post-harvest or poor processing.

The farmer needs to regularly update market information to know buyers' demand, which often changes. For instance, shorter stem salad leaves are preferred over those with long stem; smaller cabbages (<1kg/cabbage) are preferred than over large cabbages (>1kg/cabbage). When having timely market information, the farmer is able to better adjust their production to supply right products with the right quality at the right time.

Potential opportunities

Therefore, as soon as market opportunities are identified, it is very important to think of and discuss the set of most appropriate intervention that can be applied in Module 4 “Identifying innovations”. For instance, to market short-stem salad, potential innovation could include improved production techniques (e.g. use new techniques to limit the stem) and improvements in marketing skills (e.g. make an agreement with supermarkets or restaurants).


Problems or constraints occurring during the market/value chain can be turned into opportunities for value addition, including problems in transportation stages, the farmer can make some interventions in packaging, sorting, or buying a storage car, etc.



Learning exercise

 **Duration:** 2 hours 30 minutes

 **Form:** Group discussion

 **Materials:** Ao paper, pens, results of previous exercise

 **Steps:**

Step	Content	Duration
1	Identify and assess market opportunities	1 hour 30 minutes
2	Share market opportunities	1 hour

Step 1 – Identify and assess market opportunities – 1 hour 30 minutes




Through this step, participants can identify market opportunities obtained from market visits.

Suggested exercise 6.2. Identify and assess market opportunities

 **Objective:** Identify and assess market opportunities

 **Duration:** 1 hour and 30 minutes (30 minutes per small group)

 **Form:** Group discussion

 **Materials:** Ao paper, pens, color papers, results from previous exercise.

 **Steps: Tasks of the facilitators:**

1. Divide the participants into groups as **Session 6a: Conducting a visit to the market and identifying market/value chain actors**. Ask the participants to hang the market/value chain map they created in the last section.
2. For each buyer, based on the map created in Section 4. “Do you want to participate into a value chain?”, write on color-code cards the information they

received from the market visits and stick them to the respective correspondents: new consumers/outlets, requirements of consumers, timing to get high prices, types of products to get high prices, how to transport products, etc. (See the circles in the example). Encourage the participants to write down as much as detailed. The facilitators can help the participants to write.

For each potential buyer during the visit, write down on other color cards and stick on the map (see the lozenge in the example).

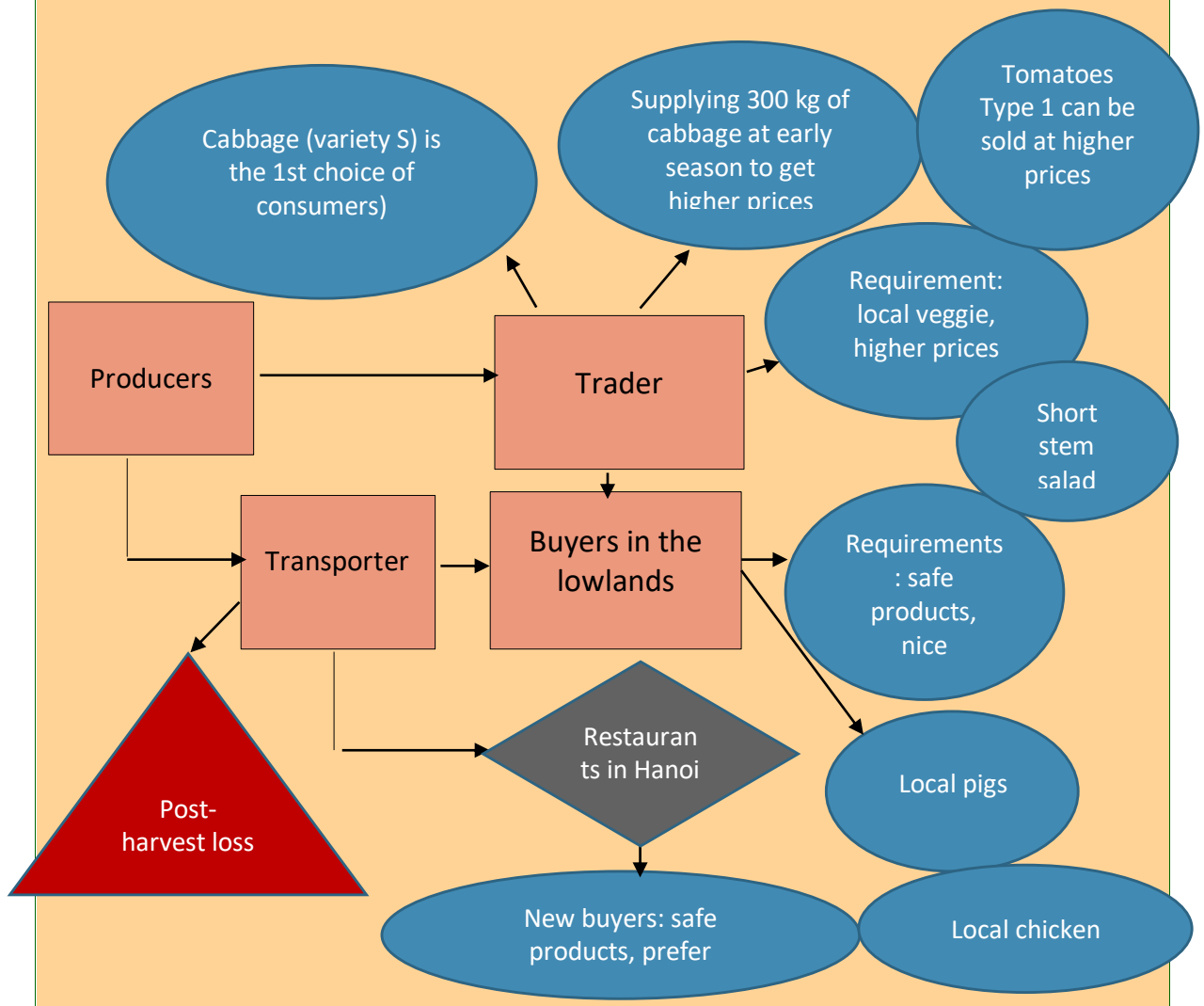
For each problem that has the possibility of intervention to become opportunities for value addition, write down on other color cards and stick on (see the triangle in the example)

Notes for the facilitators:

Participants can use different colored cards or pens

Each participant can apply to their own households.

Express to the participants that the more detailed the information, the easier it will be to make a decision on production and business



Or use the following table:

Product: _____	Production	Collection	Wholesale/retail	Consumer
Description of actors				
Description of products				
Opportunities				
Problems/Constraints				
Solutions to innovate				

NHÓM II : Rau Bắp Cải

	Khâu SX	Thu gom	Chế biến	Bán buôn/Bán lẻ	Khách hàng
Mô tả người tham gia kinh doanh	- Người nông dân Sản Phẩm - HTX nông nghiệp	- Thường Lai - Các HTX		- Cửa hàng bán lẻ tại chỗ - Người bán lẻ	- Khách quen - Người dân sinh sống quanh khu vực
Mô tả sản phẩm	- Cây bắp cải - Rau mầm	- Phân loại, sàng lọc sau theo chất lượng loại 1, 2 ... + Giá cả thị trường tùy theo chất lượng thời điểm	- Nuôi dưa - Kim chi - Đông gỏi tỏi	- Giá bán buôn: 15K/kg - Bán lẻ: 20-22K/kg	
Có thể phát triển sản phẩm	- SX quanh năm	- Giao thông thuận lợi - Nhiều công ty Sản phẩm của Nam Hoa	- Nhân viên SP (bao bì), đóng gói	- Nhiều công ty thương mại - Mô hình thị trường	- Nhu cầu thị trường lớn đặc biệt giá cả đơn vị U4 (T2 - T3)
Khó khăn	- Thời tiết - Sâu bệnh hại - Giá cả, kỹ thuật	- Vùng SX chưa tập trung	- Máy móc, công nghệ	- Không nguồn gốc chất lượng	- SP sạch, cấp chất bảo quản, kỹ thuật chế biến
Đề xuất mô hình liên kết kinh doanh	- Group mua vật tư đầu vào, thị trường K.H - Tập trung SX rau bắp cải	- SX tập trung tạo thành vùng	- Xây dựng chế độ - Nhân viên cấp nguồn gốc	- Xây dựng chế độ	

Identify market opportunities, constraints, and solutions for cabbage business in Gia Phu Cooperative, Gia Phu commune, Bao Thang district, Lao Cai

Nhóm 1 Rau cải canh

	Khâu sản xuất	Khâu thu gom	Khâu chế biến	Bán buôn/bán lẻ	Khách hàng
Mô tả người tham gia kinh doanh	- Nông dân gia đình HTX (vườn)	- Từ thường đến vườn thu gom		- Người bán buôn tại chợ Gốc Mè	- Nhà hàng - Dân
Mô tả sản phẩm	- Rau cải canh - Giá bán: 12 nghìn/kg	- Nhiều từ thường đến đặc mướp (3-42) - Rau cải (từ thường từ cải) - Rau non, xắt, thời tiết - Loại nhúng 4K/kg - Giá bán: 17 nghìn/kg		- Rau cải canh - Loại nhúng 5-6K - Giá bán: 25K/kg	
Có thể phát triển sản phẩm	- SX đặc quanh năm - Địa đai, KH phù hợp - Nhu cầu ngày càng tăng	- Giao thông thuận lợi		- Mô hình bán hàng → cần mở rộng thị trường	
Khó khăn	- KH trồng tại vườn (nông gia đình) - Nhiều sâu bệnh hại - Chưa có sản phẩm giá rẻ, là nhúng thấp	- Lượng rau tại vườn (ít hàng thu gom) (loại nhúng cao)		- Lượng rau bán tại vườn (ít nhúng)	
Các giải pháp trong kinh doanh	- Áp dụng làm giá cả thu nhập SX tại vườn - Nâng cao kỹ thuật → tạo chủng giống mới	- Mở rộng đầu mối thu gom		- Tìm thêm nhiều khách hàng mới	

Identify market opportunities, constraints, and solutions for mustard business Di Thang Cooperative, Na Hoi commune, Bac Ha district, Lao Cai

3. When the participants have developed figures similar to the examples given

above, ask each group to present their results. After each group presentation, ask the rest participants:

+ Are there any significant information lacking from the market and actor visits?

+ If yes, what are they?

4. Explain to the participants that all this identified information can turn into market opportunities.
5. Remind the participants to keep this results for the next session, in which we will identify innovations to capture market opportunities.




Step 2 – Share results of market assessment – 1 hour

Suggested exercise 6.3. Share results of market assessment

 **Objective:** Share results with market/value chain actors and service providers to identify high-priority opportunities

 **Duration:** 1 hour

 **Form:** Group discussion

 **Materials:** Invite relevant market/value actors, service providers, prepare logistics, venue, etc.

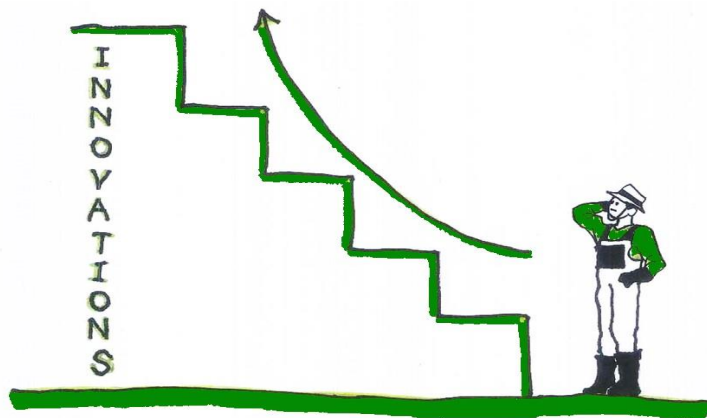
 **Steps: Tasks of the facilitators:**

Main activities of this meeting include:

- The participants share market information and market opportunities they collect, including problems in production and marketing, experience in business activities, etc.
- Discuss with the participants on market opportunities that need to be prioritized and other potential opportunities.
- Discussion on risks and problems that can occur.

PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 4: Identifying innovations



Session 7

How to develop market-oriented innovations?

7a. Identifying innovations to address market opportunities and learning actions



Objective:

By the end of this session, the participants shall

- 1. Identify and select appropriate innovations to address market opportunities;*
- 2. Develop action plans to test innovations.*



This session follows Module 3 “Market assessment and market opportunities”. Remind the participants to bring results of Module 3.

Express that the participants are able to do this exercise during their production and business.



The participants can discuss and answer the questions:

- 1. Which stages need to be innovated/improved to address market opportunities and overcome constraints in product selling?*
- 2. Based on which criteria are innovations selected? Which innovations should be prioritized?*



Key learning points

After identifying market opportunities in the previous module, the farmer needs to know what activities need to be done to capture these opportunities. These activities are business innovations/improvements.

Innovation to address market opportunities

Innovations include:

- ☞ **Innovations in production:** include application of new technologies, production of new products, post-harvest management, etc.
- ☞ **Innovations in organization:** include formation of marketing groups, buy inputs together, transport products together, etc.
- ☞ **Innovations in marketing:** include access to new buyers, contracts/agreements, changes in product selling, brand development, etc.

Innovations are not only implemented before but also during the production and marketing cycle.

Selection of business innovations

The farmer or the group can implement innovations/improvements for each market opportunity. The farmer often participates in many production activities and sometimes loses focus on understanding which innovations/improvements suitable to their business that will bring higher profits. The question is how to identify which innovations/improvements are more relevant and bring more profits.

The farmer or group use profits and market demands information to make decision on innovations/improvements. Therefore, it is necessary to help them consider all of the different criteria for them to take initiative with their selection.

Criteria for innovation selection

The farmer often bases on certain criteria to select innovations on production and business, including:

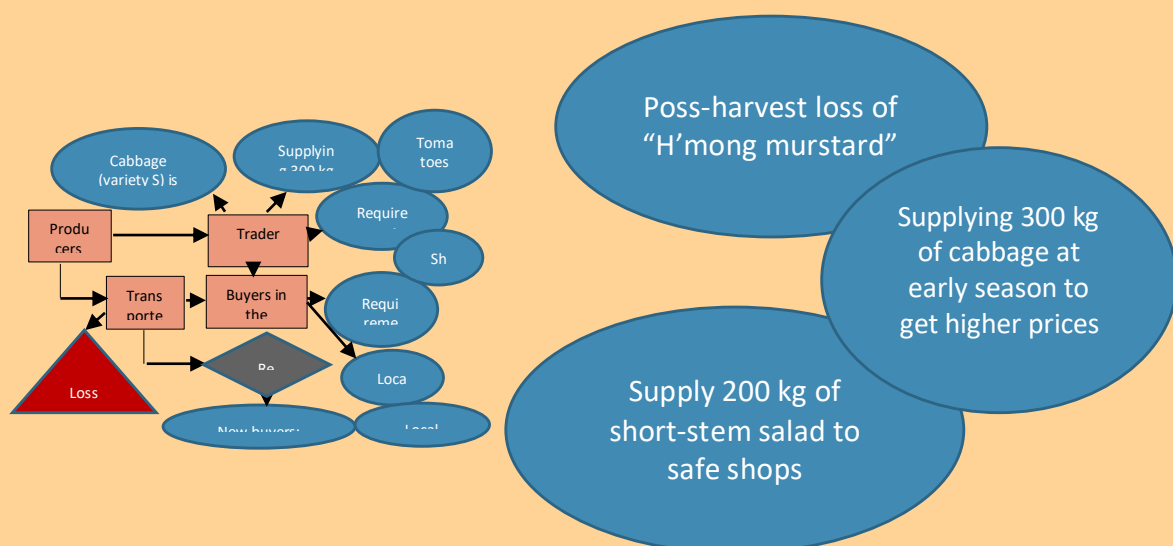
- ☞ Profits
- ☞ Market demand
- ☞ Investment capital, land
- ☞ Time investment and labor
- ☞ Level of risks in organizational stage
- ☞ Level of risks in technical stage

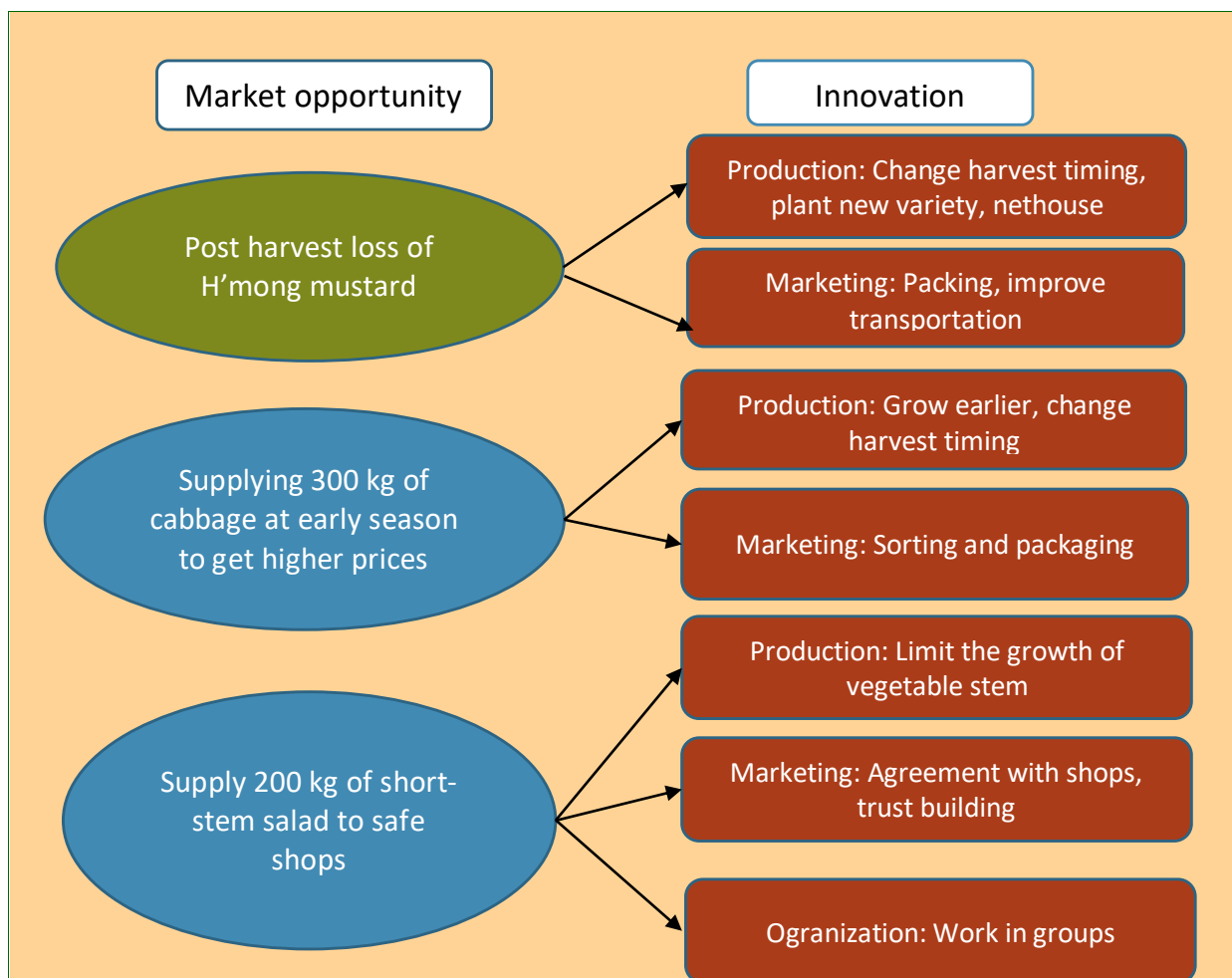


Learning exercise

Suggested exercise 7.1. Identify innovation to address market opportunities

- ☑ **Objective:** Identify, assess innovations and develop specific action plans to take advantage of market opportunities
- 🕒 **Duration:** 2 hours
- 👥 **Form:** Group discussion
- ✍️ **Materials:** A4 paper, pens, color cards, results of Module 3 “Market assessment and market opportunities”. etc.
- 📄 **Steps: Tasks of the facilitators:**
 1. Ask the participants select one or two market opportunities identified in the suggested **Exercise 6.2: Identify and assess market opportunities**.
 2. Divide the participants into 2-3 small groups. Each group discuss one topic: technological innovations, marketing innovations and organizations innovations.
 3. For each market opportunity, ask participants the following, and ask them to list all possible activities:
 - + How can you innovate production, marketing and organization processes to capture market opportunities?





4. Guide the participants to identify criteria for selection of innovations appropriate to their own family and group.

- Ask the participants to consider innovations.

	<i>Post-harvest loss of H'mong mustard</i>			
	<i>Idea: Change harvest timing</i>	<i>Idea: Grow new variety, simple net house</i>	<i>Idea: Sorting and packaging</i>	<i>Idea: Improvement of transport</i>
<i>Profit</i>				
<i>Market demand</i>				
<i>Capital, land</i>				
<i>Time and labor</i>				
<i>Level of risk during organization</i>				
<i>Level of risks in technique</i>				
<i>Potential for development</i>				

- Ask the participants give scores to each ideal: 1 = Low, 2 = Medium, 3 = High

- Select ideals that have the highest total scores.

5. Develop an action plan for innovations

For instance:

Market opportunity	Potential innovation	Action plan	Duration, who implement, venue
<i>Post-harvest loss of H'mong mustard</i>	<i>Grow new variety</i>	<i>Grow new variety Try net house</i>	<i>Based on community, learn in the field, 3 months, invite extension workers</i>
	<i>Change harvest timing</i>	<i>Pest and disease management Grow 3 weeks earlier</i>	<i>Farmers</i>
	<i>Packing</i>	<i>Learn how to sort products by quality, Packing</i>	<i>Farmers, extension workers</i>
	<i>Improvement of transportation</i>	<i>Consider several types of transportation, maybe via collectors</i>	<i>Farmers, bus</i>
<i>Supply 200 kg of short-stem salad to safe shops</i>	<i>Limit the growth of vegetable stem</i>	<i>Use medicines to limit the growth</i>	<i>Learn from project staff, extension workers When stem is 15cm</i>
	<i>Agreements with shops, trust building</i>	<i>Marketing to shops, invite consumers to test products, promotion Good delivery</i>	<i>Farmers, shop owners, every week</i>

NHÓM II
LẬP KẾ HOẠCH CHI THỂ

Cơ hội thị trường Đòi hỏi KH hành động Khi nào / bao giờ

- Cung cấp rau - giống: chọn giống + tìm hiểu thông tin
bắp cải thái vụ đến phủ bạt có khả năng về các giống (qua các
các cửa hàng rau chống chịu đk bất cơ quan chuyên môn, có
sạch, Siêu thị thuận. số cung ứng giống)

- Kỹ thuật: Làm vòm - Trồng giống phủ
che phủ nilon để hạn hợp phát
chế tác đúng thời tiết + Mối cân bố kỹ thuật
Sâu bệnh hại. hướng dẫn cách làm vòm
che phủ nilon, thực hiện

- Sử dụng thuốc
BTV có nguồn gốc Sinh học hợp lý, hiệu
quả.

- Trồng cuối T7 hoặc đầu T7.
- Nông dân Sa Pa, Bắc Hà, Si Mò
y tế bất xác ...

Identify specific innovations for off-season cabbage production of Ma Tra group, Sa Pa commune, Sa Pa district, Lao Cai

STT	Nội dung	Thời gian	AI làm	Hỗ trợ	K&A dự kiến
1	Liên kết với Thương lái (Liễn, Hiền ...) <small>Đẹp - Sơn Phấn</small>	1/11/2017	Trung	Lâm (trưởng nhóm B. Hà) B. Đông (chủ tịch Hội N. dân)	Bà Liễn + Hiền đồng ý thu mua tối thiểu 50% sản lượng rau của nhóm.
2	Liên kết với nhà hàng quán ăn. (Thắng Huyền, Ngân Nga 1, 2 ...) → Hợp đồng + đàm phán.	1/11/2017	Tùng	Bác Đông Chủ tịch Ông Hoàng phó chủ tịch TT.	Các nhà hàng tiêu thụ 30% sản lượng rau của nhóm.
3	Kiểm tra PTDT nội trú Bắc Hà → HP + đàm phán	1/11/2017	Hạnh	C. Thủy (P.H.BV)	Trưởng tiêu thụ 10% sản lượng rau của nhóm.
4	Đưa ra chợ huyện tiêu thụ vào chợ phiên cho khách du lịch	T7, CN hàng tuần	Đại diện 5 hộ	Các thành viên trong nhóm, hộ (người thân, họ hàng...)	Tiêu thụ 10% sản lượng rau còn lại.

Identify marketing innovations for vegetable production of Di Thang Cooperative, Na Hoi commune, Bac Ha district, Lao Cai

6. Identify strengths, weaknesses, opportunities, and threats for each innovation. The facilitators ask the participants "What are strengths, weaknesses, opportunities, and threats for each?" Ask the participants to discuss in 20 minutes.

<i>Innovation</i>	<i>Strength</i>	<i>Weakness</i>	<i>Opportunity</i>	<i>Threat</i>
	1.	1.	1.	1.
	2.	2.	2.	2.

7. Ask the participants to present results and share opinions.

PART A: IDENTIFYING MARKET OPPORTUNITIES AND BUSINESS INNOVATIONS

Module 4: Identifying innovations



Session 7

How to develop market-oriented innovations?

7b. Testing innovations and sharing



Objective:

By the end of this session, the participants shall

- 1. Understand steps in development and testing of product prototypes and identify solutions;*
- 2. Identify knowledge and skills the participants need to improve;*
- 3. Share results with market/value chains actors.*



This session is to discuss in detail results obtained from the previous session and focus on identifying knowledge and skills the participants need to improve.



The participants can discuss and answer the questions:

- 1. What are main steps in development and testing of products?*
- 2. What are the feedback and opinions of relevant market/value chain actors?*



Key learning points

Steps in development and testing of product prototypes⁶

- ☞ Propose prototypes,
- ☞ Develop prototypes, including the design of products and service provide who can provide
- ☞ Test the product with targeted users and consumers.
- ☞ Refine products;
- ☞ Test refined products and get feedback from consumers;
- ☞ Further refine products.

Why it is important to share results of business innovations with market/value chain actors

Sharing results of business innovations with market/value chain actors (including inputs suppliers, traders, collectors, wholesalers, retailers, restaurants, supermarkets, etc.) play an important role due to the following reasons:

- ☞ Ensures that all products/services are appropriate to consumers' requirements.
- ☞ Receives prompt feedback from market/value chain actors.
- ☞ Develops a better understanding of market.



Learning exercise

🕒 **Duration:** 2 hours 30 minutes

📄 **Steps:**

Step	Content	Duration
1	Organize testing of business innovations	1 hour
2	Identify specific topics that need support during business cycle	30 minutes or more depending on selection of the participants

⁶ Referenced on *DA-CHARMP2 and CIP-FoodSTART. 2014. Farmer Business School: Facilitator's manual.* Department of Agriculture – Second Cordillera Highland Agricultural Resource Management Project and International Potato Center – Food Security Through Asian Roots and Tubers Project. Manila, Philippines. 124 pages.


3	Present and share solutions on business innovations with market/value chain actors and other farmer groups	1 hour
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Step 1 – Organize testing of business innovations – 1 hour


The objective is to guide the participants to develop first prototypes, organize testing and identify solutions.

Suggested exercise 7.2. Organize innovations

 **Objective:** Guide the participants on steps to develop first prototypes, organize testing and identify solutions.

 **Duration:** 1 hour

 **Form:** Group discussion

 **Materials:** Ao paper, pens, color papers, etc.

 **Steps: Tasks of the facilitators:**

1. Divide the participants into small groups (5-6 persons/group).
2. Explain to the participants that this session will guide them to develop a specific plan for testing of innovations.
3. Ask the participants to think of development of one prototype. For instance, dried sweet potatoes, packaging of H'mong mustard, etc.
4. Ask the participants to develop an action plan to bring products to the market, test products, and get feedback from consumers.

Step	Action, who do, time, targeted consumers
1. From design to testing	
2. Invite consumers to try product and give feedback	
3. Collect information during the testing	
4. Adjust the action plan	

5. Ask the participants to present and share opinions.



Step 2 – Identify specific topics for support – Time duration changes

This step is to identify knowledge and skills that the participants need in order to carry out business innovations. Work with the participants to identify knowledge and skills they need to improve. Facilitators also have the responsibility to connect and invite trainers.

Topic (example)	Method
1. Good production practices (VietGAP, safe production, etc.) and food safety	Lecture, presentation, learning visit, group discussion, exercise, etc.
2. Sorting, packaging and labelling	
3. Post-harvest management	
4. Standards and product certification	
5. Law and business registration	
6. Value chain management	
7. Market development and marketing strategy	
8. Effective selling skills	
9. Ethics in business	
10. Negotiation and conflict resolution	
11. Assessment and usage of market information	
12. Contract building	
13. Other topics	



Step 3 – Presentation and sharing of innovation solutions with market/value chain actors and other farmer groups – 1 hour

Objective of this step is to share innovations that are planned to test with market/value chain actors. Feedback and opinions are inputs for better innovations.

Suggested exercise 7.3. Presentation and sharing of innovation solutions with market/value chain actors

Objective: Present, share ideals and action plans with other actors, get feedback to have better plans

Duration: 1 hour

Form: Group discussion

Materials: Invite relevant market/value actors, prepare logistics, venue, etc.

Steps: Tasks of the facilitators:

In this meeting, the farmer group will share ideals of new products or services, testing plans, marketing plans, experience on business, etc. This meeting involves farmers, business service providers, potential buyers, other market/value chain actors, etc. Through this meeting, the farmer shares ways to innovate business as well as improve products.

This meeting should be organized with participation of several farmer groups.

PART B: PLANNING

Module 5. Business planning and registration



Session 8

How to make a business plan?

Why do you need to conduct business planning?

Components of a business plan



Objective:

At the end of this session, the participants shall

- 1. Plan their innovations based on distribution plan;*
- 2. Take initiative in business innovations.*



The participants can discuss and answer the questions:

- 1. What is the distribution plan? How to plan production according to the distribution plan?*
- 2. How to allocate labour for production among group members?*



Key learning points

To become a successful farmer group, the group and each individual need to have a business plan. In business plans, the farmer needs to think ahead of objectives, strategies, production, marketing, and profit aspects. Business planning is based on available resources. Business plans are often updated in order to respond to the needs of markets and buyers.

Why is it necessary to make business plan?

Advantages of business planning:

- ☞ Provides the farmer an overview on their production and business.
- ☞ Eliminates business risk because it carefully studies the competence and resources of the entrepreneur and the competitor.
- ☞ Detects shortcomings and weaknesses in business activities.
- ☞ Minimizes production costs. Resources are properly used and scheduled according to the plan, helping the farmer to save money.
- ☞ Optimizes time and labor spending on production and business.
- ☞ Helps the farmer to take initiative in financial issues.

Components of business plans

A business plan includes:

☞ **Distribution plan:**

In the distribution plan, the farmer will write down all information related to the delivery of products to market outlet. When farmers identify a good market opportunity, they should prepare a detailed distribution plan for their products. This distribution plan targets customer groups or markets that farmers will focus on.

A distribution plan includes:

- Product: Description of product and packaging if needed.
- Sales activities: costs of promoting products, organizing sales, promotion ...
- Distribution channels: Where products are distributed and sold (markets, supermarkets, shops ...). Products are sold in a convenient place with customers.
- Price: The price of the product (price at farm gate or the price at the store). Information on cost, profit, value for customers is required too.

- Sales forecast: based on price and volume, the selling quantity could be forecasted.
- Risk management.

Example of a distribution plan:

Product	Delivery time	Market outlets	Transporting place	Quantity	Size	Packaging	Price
Cabbage	3rd Oct.	“Sea Wolf” shop, Hanoi	Hai Van bus, 5pm	400 units	1 kg and below/cabbage	Covered by nylon with brand name	20,000 per cabbage
Tomato	5th Oct.	“Bac Tom” shop, Hanoi	Hai Van bus, 5 pm	200 kg	Grade 1 Grade 2 Grade 3	1kg/pack	T1: 15,000/kg T2: 12,000/kg T3: 10,000/kg

👉 Production plan:

After the distribution plan and supporting activities have been prepared, farmers will prepare the production plan. The production plan contains estimated products’ quantity, growing area, planting time and other related stages, inputs (varieties, fertilizers, etc.), techniques to be applied, estimated costs, etc.

Production plan for the group: determine the volume and the producers.

Example of the production plan for the group:

Farmer	Crop	Planned area	Seedling preparation	Planting	Other production stages	Production
A	Cabbage	300 cabbages, ... hectare	April	Mid May		300 units
B	Cabbage	100 cabbages ... hectare	April	Mid May		100 units
C	Tomato	0.5 hectare	Early May	Mid May	June, Applying substance to reduce stem	500 kg

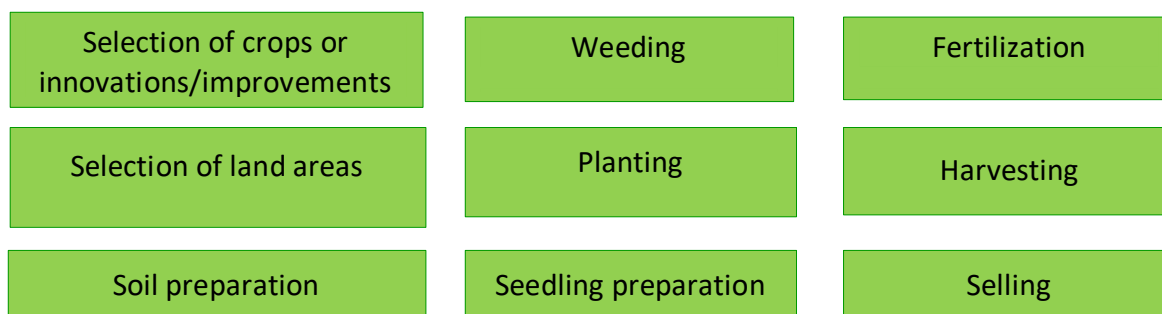
Production plan for each group member: including estimated product volume, growing area, planting time and other related stages, inputs (varieties, fertilizers, etc.), techniques to be applied, estimated costs, etc.

Example of the production plan for each group member A:

Crop	Planned area	Seedling preparation	Planting	Other production stages	Production
Cabbage	300 cabbages, 0.75 hectare	300 seeds April	Fertilizer: 20 kg Mid May		300 cabbages
Tomato	0.5 hectare	100 seedlings Early May	Fertilizer: 30 kg Mid May		500 kg
Salad	0.5 hectare	0.2 gram of seeds End June	Fertilizer: 10 kg Early July	June, Applying substance to reduce stem	300 kg

Farmers see the technical guide to know production stages and different steps for post-harvest process to have final products.

Example of production stages



Organizational plan

Organizational plan is made after the plan for product distribution and production. The organizational plan describes the activities, timing, responsibilities and obligations of each individual involved in the business.

Example of organizational plan:

Activity	Timeframe (by month)												Person in charge
	1	2	3	4	5	6	7	8	9	10	11	12	
Business planning	■	■	■										
Business registration			■	■									
Labor allocation				■									
Production					■	■	■	■					
Promotion							■	■	■				
Other activities									■	■			



Learning exercise

Suggested activity 8.1. How to make a business plan?

- Objective:** Guide how to make distribution and production plan
- Duration:** 2-3 hours
- Form:** Group discussion
- Materials:** Notebook, paper size A0, marker
- Steps:** Tasks of the facilitators

1. Explain to the participants "Making business plans every season will help farmers appropriately distribute their resources for different crops and different changes/innovations. It helps farmers maximize their profits from their soil. The business plan is very important to the testing of new crops."
2. Ask the participants to make their production plan according to distribution plan for their family and for the group (if any).

KẾ HOẠCH HÀNH ĐỘNG: Kinh doanh SA PA - SA PA

TT	Activity on product distribution	Month	Who do	Supporter	Results
1.	* Họp đồng. - Tham gia các lớp tập huấn về kỹ năng giao tiếp, th. nông thôn Họp đồng	T2	- A. Thảo cũ A. Chu, Đỗ, Lucy	- TTĐVN ²	- Các thành viên năm 3/20 t. đ. các kỹ năng cần thiết khi thực hiện HD.
	- Gửi sản phẩm giới thiệu chào hàng	Đầu T7	- A. Thảo, Chu	- TTĐVN ²	- Sản phẩm ở các chợ thị trấn đến người tiêu dùng, các chợ mới trên địa bàn, cửa hàng...
	- Gửi thông tin sản phẩm tại các hội chợ th. nông thôn	Đầu T7	- A. Thảo, Lucy	- TTĐVN ²	- ký đề HD với các đối tác thu mua.
	- Ký kết HD cụ thể bằng Văn Bản	Cuối T7 - đầu T8	- A. Thảo	- TTĐVN ²	
2.	* Thi triển triển thu - Đăng ký 1 gian hàng bán sản phẩm tại chợ Sa Pa	Cuối T6	- A. Thảo	- TTĐVN ²	- Đ. chợ Sa Pa bố trí 1 gian hàng.
	- Bán đồ (bánh) tại vườn	T7	- A. Thảo, 12 hộ	- Tổ chức	- Các đơn vị kỹ họp đồng đến tại vườn thu gom
	- Giao hàng cho các khách tại (bán hàng bán lẻ tại Chợ Sa Pa, Lào Cai)	T7	- A. Chu, A. Đỗ	- A. Thảo	- Các đơn vị kỹ họp đồng cùng thời gian, số lượng chất lượng.

Product distribution plan of Ma Tra group, Sa Pa commune, Sa Pa district, Lao Cai province

KẾ HOẠCH HÀNH ĐỘNG : TỔ CHỨC SX SA PA

TT	Activity on production improvement	Month	Who in charge	Supporter	Results
1	<ul style="list-style-type: none"> * Khai học kỹ thuật - Tập huấn kỹ thuật trồng, chăm sóc rau an toàn - Tập huấn phòng trừ sâu bệnh - Thu hoạch, bảo quản rau - Tổ chức tham quan học hỏi kinh nghiệm 	<p>Đầu T3</p> <p>15/4/2018</p> <p>10/5/2018</p>	<p>- CB TTĐVN² 13 hộ dân</p> <p>- CBCC BUTV 13 hộ dân</p> <p>- TTĐVN², 13 hộ dân</p>	<p>- KN xã</p> <p>- CB TTĐVN² KN xã</p> <p>- CB KN</p>	<ul style="list-style-type: none"> - Nội dung tập huấn được biên soạn đầy đủ, 100% học viên nắm được kỹ thuật SX rau an toàn - Học viên chủ động phòng trừ sâu bệnh trên ruộng nhà mình, thu hoạch, bảo quản rau đảm bảo - Học viên đã tham quan học hỏi kinh nghiệm tại HTX Sa Pa.
2	<ul style="list-style-type: none"> * 1) Nấu Súp, Sốt kem - Mua giống rau súp cao KR CROSS (Món bán) - Làm cây giống trong khay bầu - Trồng cây con ra ruộng SX 	<p>15/3/2018</p> <p>18/3 - 25/3</p> <p>12/4 - 25/4</p>	<p>- Trưởng nhóm A.Thư</p> <p>- CB TTĐVN², 13 hộ</p> <p>- 13 hộ</p>	<p>- KN xã</p> <p>- KN xã</p> <p>- KN xã</p>	<ul style="list-style-type: none"> - Mua được đúng giống rau súp 15' kem cho các thành viên - Làm được cây con đảm bảo chất lượng - Cây con được trồng đúng tiêu chuẩn kỹ thuật vụ, đúng mật độ
3	<ul style="list-style-type: none"> * 1) Chất lượng - Chọn đất trồng, làm đất đúng kỹ thuật - Sử dụng phân bón thích hợp - Bón phân: (100% PC + 6 kg Ure + 16 kg lân + 4 kg Kali / 1 sào) + bón lót: 100% PC + Lân + 1/4 đạm + 1/2 kali + bón thúc: Thúc 1: sau trồng 10-15 ngày Thúc 2: Cánh 1: 12 ngày Thúc 3: C2 - 10 ngày Thúc 4: C3 - 10 ngày - Sử dụng thuốc BUTV + Mua thuốc có nguồn gốc Sinh học + phun thuốc theo nguyên tắc 4 đúng - Thu hoạch + Thu hoạch cây đạt +/e trước + Thu hoạch đợt 2 trước bỏ số cây còn lại, bảo quản, vận chuyển tới 	<p>20/3</p> <p>11/4</p> <p>25/4</p> <p>7/5</p> <p>17/5</p> <p>27/5</p> <p>20/4</p> <p>Đầu T7</p> <p>Trung T7</p>	<p>- 13 hộ</p> <p>- 13 hộ</p> <p>- 13 hộ</p> <p>13 hộ</p> <p>- A. Thảo Thảo</p> <p>Món</p> <p>- 13 hộ</p> <p>chủ hộ trồng thuốc (A Thảo Thảo) Bó.....</p> <p>Mỹ Hạnh</p> <p>chất rau</p>	<p>- KN xã</p> <p>- KN xã</p> <p>- KN xã</p> <p>- CB TTĐVN² KN xã</p> <p>- KN xã</p> <p>- Thuộc lại cái tồn dư thuốc gom</p> <p>-</p>	<ul style="list-style-type: none"> - Chọn đất trồng đảm bảo chất lượng - Mua việc Bình yên, làm đất đúng kỹ thuật - Bón đúng quy trình - Số lượng phân bón phân tích chia đều cho mỗi đợt, bón đúng thời gian. - Mua đúng loại thuốc sinh học, đảm bảo chất lượng - Giảm thiểu tối đa thuốc hại cho rau do sâu bệnh hại gây ra. - N/S: 1,2 - 1,5 kg / bắp. 10 tấn / sào - phẩm chất mẫu mã đẹp, cuốn chặt không tồn dư các chất gây hại cho sức khỏe con người

Production plan of Ma Tra group, Sa Pa commune, Sa Pa district, Lao Cai province

KẾ HOẠCH HÀNH ĐỘNG : PHÂN KHUẾ SX SAPA

Season	Who grow	Vegetable	Area	Month	Supporter	Results
1	A. Thảo và 12 hộ	- Chia tỏi		T2	- KN xã	- Chia tỏi Tỏi 1: A. Thảo, Lữ, kinh, kíp Tỏi 2: Chu, Mây, Xoa, Phó, Tỏi 3: Lung, Di, Rùa, Cỏ
2	Trái cây	T01	- Bắp cải 5.000 - Cải mào 3.000 - Rau thơm 2.000	12-15/14 " "	- KN xã TTĐVN	- Trồng đảm bảo tiêu chí thời vụ đúng kỹ thuật
		T02	- Bắp cải 5.000 - Cải mào 3.000 - Rau thơm 2.000	25-30/4 " "	- KN xã TTĐVN	- Trồng đảm bảo đúng tiêu chí kế hoạch đề ra.
		T03	- Bắp cải 5.000 - Cải mào 3.000 - Rau thơm 2.000	10-15/5 " "	KN xã	- N/S đất: Bắp cải: 1,2-1,5 kg/cây Cải mào: 2 kg/m ² Rau thơm: 1 kg/m ²
3	VU ĐỒNG	T01	- Bắp cải 3.000 - Cải mào 4.000 - Súp lơ 3.000	15-20/8 nt "	KN xã	- Trồng đúng tiêu chí BC: 1,3-1,2 kg/cây N/S đất: CM: 2 kg/m ² Súp lơ: 0,3 kg/cây
		T02	- Bắp cải 3.000 - Cải mào 2.000 - Súp lơ 5.000	5-10/9 " "	KN xã	N/S đất: BC: 1,3-1,2 kg/cây CM: 2 kg/m ² Súp lơ: 0,15-0,2 kg/cây
		T03	- Su hào 3.000 - Củ cải 3.000 - Đậu Hà Lan 1.000 - Củ cải đỏ 3.000	20-25/9 " " "	KN xã	N/S đất: Su hào: 1,6-2 kg/m ² Củ cải: 2 kg/m ² Đậu Hà Lan: 1,2 kg/m ² Củ cải đỏ: 0,2 kg/cây
4	VU XUÂN	T01	- Cải ngọt 1.500 - Cải mào 1.500 - Củ cải 2.000	20-25/2 " "	KN xã	N/S đất: Cải ngọt: 1,5 kg/m ² Cải mào: 2 kg/m ² Củ cải: 0,2 kg/cây
		T02	- Bắp cải 1.000 - Củ cải 2.000 - Su hào 2.000	10-15/1 " "	KN xã	N/S đất: Bắp cải: 1-1,2 kg/cây Củ cải: 0,2 kg/cây Su hào: 0,2 kg/cây
		T03	- Bắp cải 3.000 - Su hào 1.500 - Cải mào 3.000	20-25/1 " "	KN xã	N/S đất: Bắp cải: 1,2 kg/cây Su hào: 0,3 kg/cây Cải mào: 2 kg/m ²

Organizational plan of Ma Tra group, Sa Pa commune, Sa Pa district, Lao Cai province

PART B: PLANNING

Module 5. Business planning and registration



Session 9

How to do record keeping and business accounting?

Why do you need to conduct record keeping and accounting? Types of record keeping and accounting



Objective:

By the end of this session, the participants shall

- 1. Understand business accounting and record keeping;*
- 2. Taking initiative in calculating profit of business activities.*



The participants can discuss and answer the questions:

- 1. For how much should each product be sold at?*
- 2. Which products/product group generate profit or loss?*
- 3. How much is production cost?*



Key learning points

Why should do record keeping and business accounting?

Record keeping is collecting and recording of all activities and results at each time, each season, and each stage (from seedling preparation to harvesting). Advantages of record keeping include:

- ☞ Help the farmer develop a habit of recording all activities in production and business in one and many seasons in order to have good production process.
- ☞ Production record will help farmer easily prove whether their production process follow required standards or not. Production record is the first evidence for the consideration to issue certificate.
- ☞ In record keeping, all transactional activities are recorded, thus making it easier for the farmer to calculate unit price.
- ☞ In record keeping, the farmer is able to calculate and compare profits among products.
- ☞ Record keeping helps family members or group members know whether each other is using money properly, avoiding argument among members.

Types of record keeping

A suitable recording keeping system can be determined based on qualifications of each farmer group. Record keeping normally includes:

- ☞ **Production record:** includes record of all production activities, areas and inputs (e.g. seeds, fertilizers, pesticides, animal feed, etc.), applying time and methods, post-harvest management, product quantity.
- ☞ **Cost and income record:** includes record of price and money to buy inputs, hired labor costs, service costs, product sale and price, buyer information, selling place, and notes on product selling.
- ☞ **Business record:** includes record of information of products received from group members (e.g. quantity, type, grade, etc.) and transportation to buyers. This record keeping is applied to farmer groups who have collectors responsible to collecting and distributing products to market outlets.
- ☞ **Asset record:** includes record of investment capital, facilities, machine, tools, etc.

Why business accounting is important?

Accounting helps farmer know whether the production and business they are doing or intend to do will bring profit or loss. Farmer normally does not have a habit to calculate profits.

Advantages of accounting:

- ☞ Farmer is able to calculate and compare which innovation/improvement ideas bring more profit.
- ☞ Farmer takes initiative in production activities as they know clearly what they should prepare in terms of costs, materials, and labor for each season.
- ☞ Farmer is able to set the production plan for next season.

Business accounting details

To calculate profit, farmer needs to understand the following concepts.

Costs for each production cycle

Costs before production is expenditures spent on technique study, procedure preparation to get business registration (if any), etc.

Costs during production in cash are expenditures in cash spent on materials, inputs, tools, and hired labor. **Costs during production in kind** are expenditures in kind (e.g. composting use manure, bamboo used for fence or simple net house, etc.)

Costs during product selling are expenditures spent on transaction, advertisement, packaging, transportation, etc.

☞ Income

Income in cash is income from product selling and service supply.

Income in material is income not calculated in cash. They include by-products in production (e.g. mature leaves used for animal raising, etc.)

☞ Unit price

Unit price is all of production costs spent to produce a unit of product.

$$\text{Unit price} = \frac{\text{Total production costs}}{\text{Total production}}$$

If farmer wants to determine reasonable selling prices, they need to know unit price. If the selling price is higher than the unit price, farmer gets profit. If the selling price is lower than the unit price, farmer suffers loss.

☞ Revenue

Revenue is all amount of money obtained from product selling.

$$\text{Revenue} = \text{Total production} \times \text{average selling price}$$

☞ Profit

Profit is the difference between revenue and costs

$$\text{Profit} = \text{Revenue} - \text{Costs}$$

Production and business bring **profit if Revenue > Costs**

Production and business bring loss **if Revenue < Costs**

Example of business accounting for H'mong mustard production and business.

Name of production and business: H'mong mustard

Area: 100 m²

Production cycle: 4 months


Item	Amount (Dong)
I. Costs before production	
Tools	100,000
II. Costs during production	
Seeds	50,000
Fertilizer NPK	70,000
Pesticides	100,000
Hired labor	90,000
III. Marketing costs	
Transportation by bus	70,000
Packaging	100,000
Transportation	20,000
Total production costs	600,000
Total production (kg)	120
Unit price/kg = Total production costs/Total production	5,000
Average selling price	5,500
Revenue = Total production x average selling price	660,000
Profit = Revenue – Total production costs	60,000





Learning exercise

Suggested activity 9.1. Why do you need to do record keeping and accounting?

 **Objective:** Practice record keeping and business accounting

 **Duration:** 1 hour and 30 minutes

 **Form:** Practice and group discussion

 **Materials:** Paper size Ao, pen, business accounting and record keeping template

 **Steps: Tasks of the facilitators:**

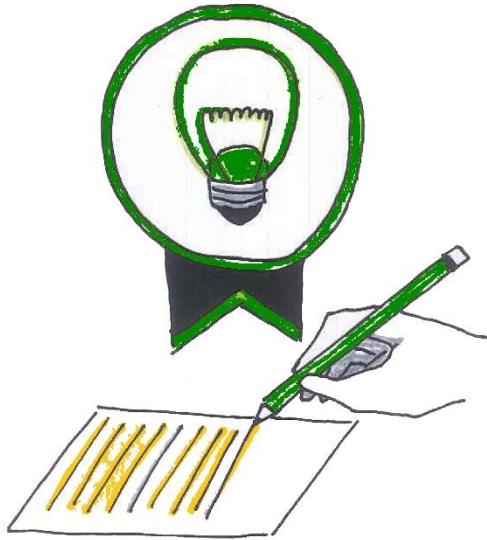
1. Explain to the participants the role of doing record keeping and accounting. The facilitators suggest the participants to discuss reasons why record keeping and business accounting are important.
2. Write it down briefly on a paper size Ao.
3. Provide participants with sample form and explain to them how to do it. Farmers could record in their own way.
4. Explain to participants the terms used in this module:
 - Business accounting
 - Revenue
 - Unit price
 - Cost
 - Profit
 - Loss

Notes to the facilitators: Accounting can be calculated by units of “one sao = 360m²”, one cycle production cycle, one year or one season.

5. Ask the participants to choose one crop to practice doing business accounting. Ask the participants to calculate production cost, revenue, costs and profits.
6. Ask participants to present their work and comment on other members.

PART B: PLANNING

Module 5. Business planning and registration



Session 10

How to register your business?



Objective:

By the end of this session, participants shall

- 1. Know the procedures for business registration;*
- 2. Actively carry out procedures for business registration.*



This section only has "Key learning points". The facilitators only instruct the participants who have business activities to register.



The participants can discuss and answer the questions:

- 1. What are the steps for doing business registration?*
- 2. In order to register for business, which departments should they go to?*



Key learning points

Procedure for business registration

Depending on types of business, numbers of frequently hired laborers, income, etc., it could be decided whether farmers need to register for business.

☞ Low income individual farmers, as stipulated by the People's Committees of the province where they live, will participate in business as individuals and do not need to register.

☞ Individual farmers using less than 10 frequently hired laborers have to register the business as an individual.

Office for business registration: Office of Finance and Planning at district People's Committee.

☞ Individual farmers using more than 10 frequently hired laborers have to register the business as an enterprise.

Office for business registration: Office of Business Registration at Department of Planning and Investment.

☞ Partnership group:

+ At least three farmers cooperate and contribute capital and labor to carry out business activities to serve the common needs of the members and to share the same beneficiaries and the same responsibility.

Office for business registration: People's Committees of urban districts, rural districts, towns and cities under provinces or centrally run cities.

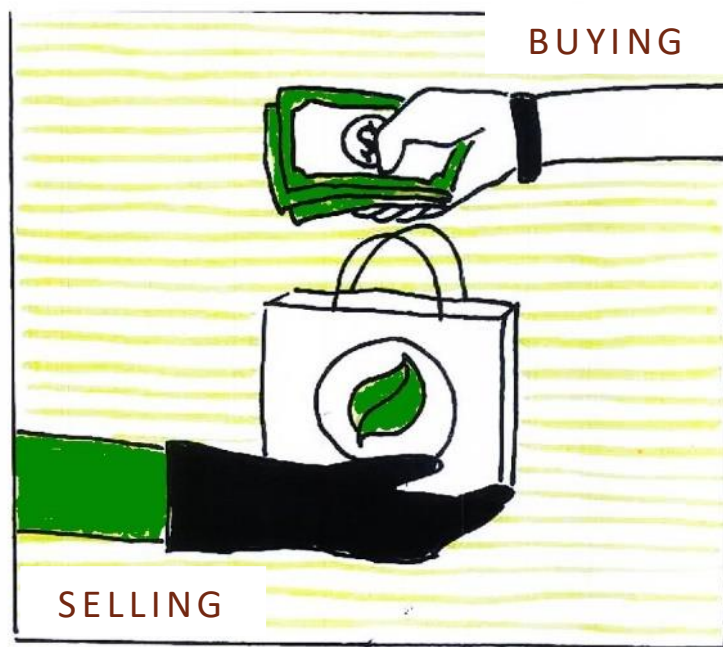
+ At least three farmers cooperate, but neither conducting joint production nor business activities nor generating revenue such as clubs, interest groups, etc., are not required to register for operation.

☞ Cooperative: An organization owned and operated by a group of members sharing common interests and mutual benefits.

Business registration office: Department of Finance - Planning at District People's Committee.

PART C. IMPLEMENTATION AND EVALUATION

Lesson 6. Marketing skills



Session 11

How to sell products effectively?



Objective

By the end of this session, participants shall know how to sell their products effectively to different groups of customers.

The participants can discuss and answer the question:

- 1. What factors contribute to selling products effectively?*

Notes for the facilitators: For Session 6, only introduce contents that fits the needs of local farmer groups. Facilitators need to be flexible in identifying other information in the session 7b “Testing innovations and sharing” to connect trainers who train useful knowledge for the participants.



Key learning points






Farmers need to know how to sell their products effectively. In order to sell more products, they will need to understand:

- ☞ Who are the buyers? This is crucial as it affects how products are advertised and which types of products are being sold. For example, Thang produces safe tomatoes and categorizes them in three types. The first grade (good looking, big size) is sold to stores in Hanoi, the second grade (medium size) is sold in Lao Cai city, and the third grade (bad looking, small and uneven, flaws on the cover) is sold in local markets.
- ☞ What are customers' preferences? Before being able to sell their products, farmers need to understand thoroughly what their customers like and dislike. Only after knowing so can farmers provide the products that their clients are want.
- ☞ What is the price? Sometime, in order to attract customers, the product's price can be set lower than the market price while still guaranteing profit. Remember that if your price is higher than others, your products will not be sold, if too much lower, you will suffer a loss
- ☞ Where are the suitable selling locations? Selling points need to be convenient for customers. In some cases, farmers can be flexible in location. For example, if the price is higher, they can deliver the products to the requested place of their customers.
- ☞ How to display products to attract the customers' attention? Your products need to be fresh and eye-catching. For example, H'mong mustard should be tied by straws instead of nylon/plastic string. Because products with nylon strings can mislead make customers into believing that they are not planted locally. Furthermore, a bundle of H'mong mustard should be 1 kg or more.
- ☞ Being comfortable and friendly while communicating with customers.
- ☞ Giving clear explanations to customers when they have any queries or responses.



Learning exercise

Suggested activity 11.1. How to sell your products effectively?

-  **Objective:** Practice how to sell products effectively
-  **Duration:** 2 hours
-  **Form:** Exercises and group discussion
-  **Materials:** Their products, paper size Ao, pen, paper cards, scissors, and supplies needed for sales.
-  **Steps: Tasks of the facilitators:**
 1. Ask the participants about their sale:
 - + Which products did you sell last year?
 - + To you, which products are easy to sell, which ones are difficult?
 2. Let the participants discuss in 10 minutes and analyze why these products are easy or difficult to sell.
 3. Prepare a sheet of Ao paper with the following questions and explain to the participants to pay attention to these following questions when practicing sales.

Product	Current situation
Does your product meet the needs of customers?	
When is your product be sold at a high price (e.g.: Start of the season, end of the season, offseason)	
Do you sell this product at a higher price than other products?	
Do you sell this product at a lower price than other products?	
Which customers are willing to pay a higher price for this product?	
What do you do to make your product become more attractive to customers? (e.g.: packaging, branding...)	
How do you do to attract customers? (e.g.: promotion, discount if they purchase big quantity)	
Do you smile while communicating with customers?	
Do you promote your product to customers? How do you respond to customers' comments about your product?	

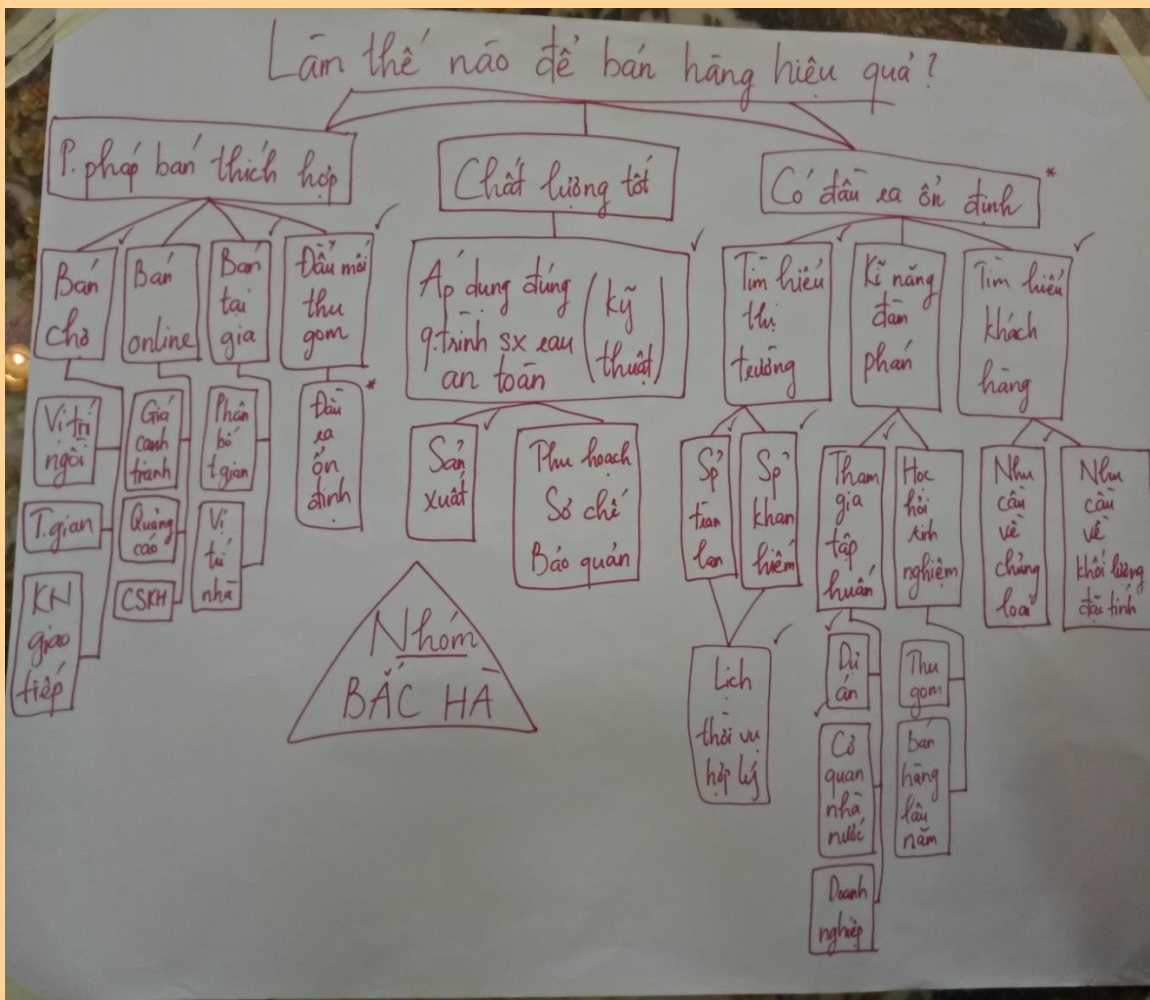
4. Divide the participants into small groups (4-5 persons/group).
5. Arrange for each group tables, chairs and other items to practice sales. Give the

groups 10 minutes to arrange the booth and discuss.

Ask each group to design a basic marketing strategy for their products. It can be a piece of information, packaging, a slogan or word of mouth messages.

- Sales Practices: The other groups will come to buy products of a group and vice versa. The facilitators and other groups observe how they present products, how they respond to customers, etc.

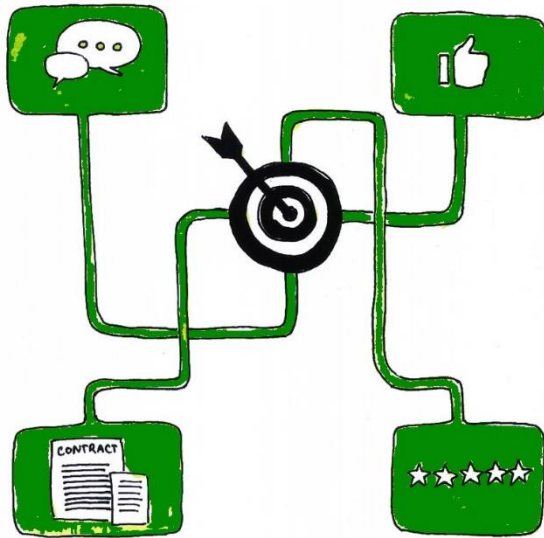
The groups give feedback to each other.



Bac Ha group discuss about how to sell their product effectively

PART C. IMPLEMENTATION AND EVALUATION

Lesson 6. Marketing skills



Session 12

How to become a good negotiator?



Objective:

By the end of this session, the participants shall understand the knowledge and skills needed to be a good negotiator.



The participants can discuss and answer the questions:

- 1. Information needed before doing any negotiation?*
- 2. Knowledge and skills needed to negotiate?*



Key learning points

Negotiation is the process of finding a common ground and reaching an agreement or resolution to the conflict between two or more parties (each with their own goals, needs and opinions). In order to have a successful negotiation, it is important for each party to be willing to compromise on their personal interests to mutually reach a better achievement.

As farmers are encouraged to participate more in the chain, negotiating skills play a very important role in business.

Benefits of negotiation

- ☞ Get the most sufficient rate for product's and service's cost.
- ☞ Help both parties to understand each other better.
- ☞ Resolve conflicts to gain common interests.
- ☞ Protect your own interest.

Required knowledge to become a good negotiator

Detailed information about customers who will buy the product and others in the market

- ☞ Information on supply and demand of products during negotiation (quality, price range etc.)
- ☞ Best price with that customers are willing to buy according to the quality of the product
- ☞ Marketing costs, including transportation, damages and losses.
- ☞ What you are willing to compromise to have a good deal.

Required skills to become a good negotiator

- ☞ Analytical and problem solving skill.
- ☞ Communication and listening skill.
- ☞ Ability to make decision.
- ☞ Self-control ability.
- ☞ Clearly explain to customers when they have any questions and feedback.




Learning exercise

Suggested activity 12.1. How to become a good negotiator?

 **Objective:** Practice how to become a good negotiator

 **Duration:** 2 hours

 **Form:** Exercises and group discussion

 **Materials:** Notebook, paper size Ao, marker

 **Steps: Tasks of the facilitators:**

1. Ask participants the following questions:

+ Do you have any experience in business negotiation?

+ Who did you negotiate with? What do you negotiate about? How did the negotiation take place?

Ask 1-2 participants to give examples. Encourage the participants to think about daily activities, such as negotiating to organize a wedding, negotiating salary for a seasonal job, etc.

2. Asking 4-5 participants to volunteer to play, in which two people will be customers (e.g. school representatives, traders ...) and the other two to be farmers.

+ Situation: 2-3 farmers want to sell their vegetables in a large quantity to a school in Sa Pa district in the next season instead of selling their products in the local market.

+ Problem: They have conflict about prices, in which school agrees to buy at low prices while farmer group wants to sell at the highest rate.

+ Negotiation: 4-5 players negotiate to reach a reasonable price.

Notes for the facilitators: The facilitators could flexibly give different scenarios and problems for the participants to choose.

3. The participants will play their role in 15 minutes. Others in class will observe.

+ What will you do to get a reasonable price agreement? Are all parties satisfied with the result?

+ What makes farmers agree with that price? What do they have to give up?

+ What makes school representatives agree to that price? What do they have to give up?

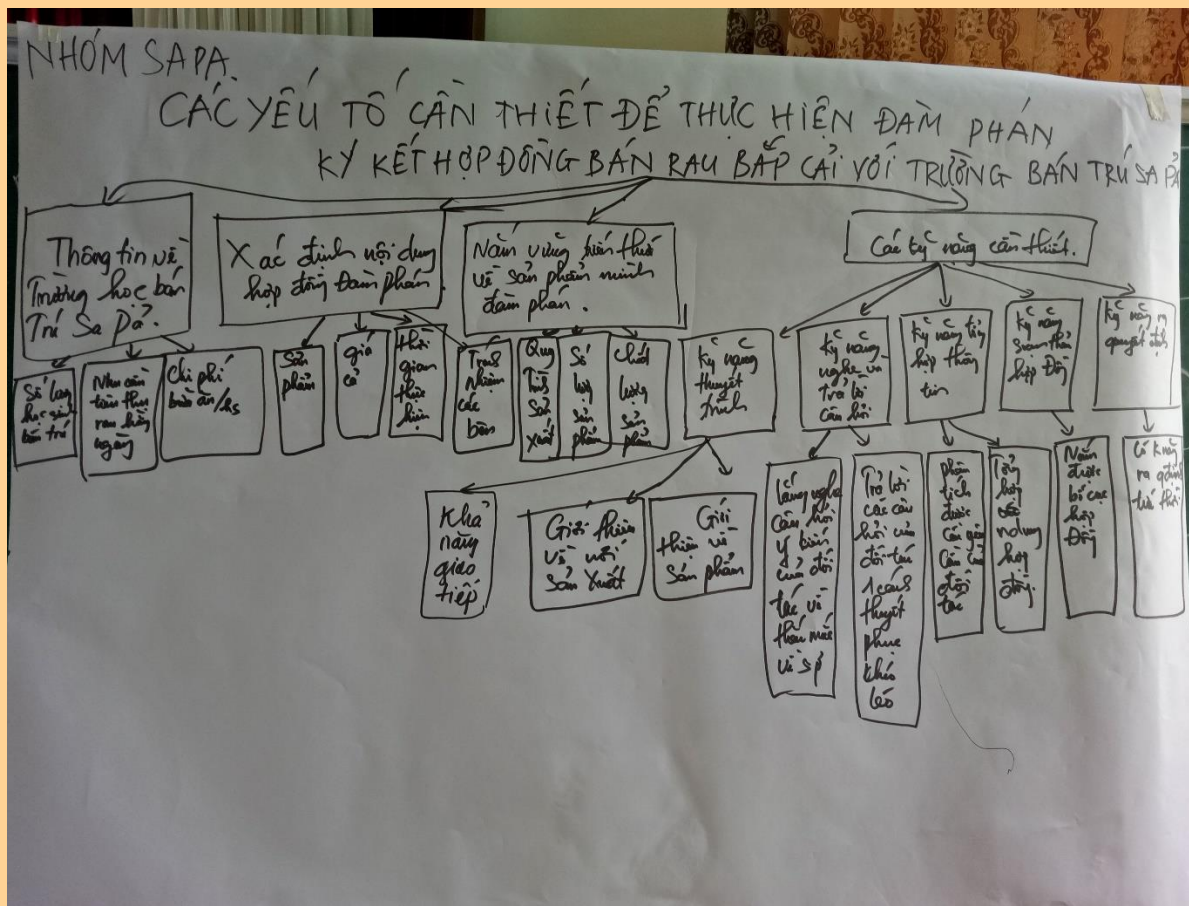
+ What makes both parties maintain the agreement?

4. Write the results on Ao paper and analyze the results and comments.

5. Ask the participants to list all the knowledge and skills that they think they would need in order to become a successful negotiator.

6. Asking the participants to evaluate their knowledge and skills by providing a score. Asking them to list the best knowledge and skills as well as what they need to learn more about.

Knowledge/Information	Evaluation (strong, adequate, weak)	What needs to improve?
Detailed information of customers		
Information about products on the market		
Price		
Skills	Evaluation (strong, adequate, weak)	What needs to improve?
Analyzing and problem solving		
Decision making ability		
Communication skill		
Self-control		
Explain well to customers		

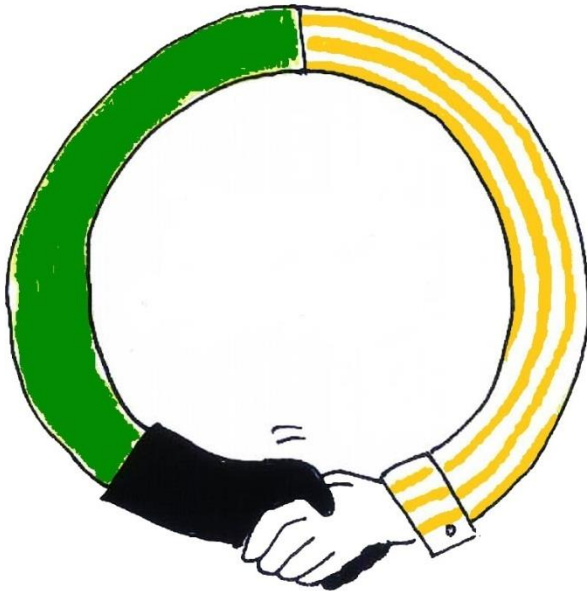


Example: Requirements for negotiating a contract to sell cabbage and Sa Pa boarding school, Sa Pa, Lao Cai

<i>Requirements for negotiating a contract to sell cabbage and Sa Pa boarding school, Sa Pa, Lao Cai</i>	<i>Information about the school</i>	<i>Number of participants</i>		
		<i>Daily demand</i>		
		<i>Meal budget per participants</i>		
	<i>Deciding on contents of the contract</i>	<i>Product</i>		
		<i>Price</i>		
		<i>Time</i>		
	<i>Good understanding about the product</i>	<i>Responsibility of each party</i>		
		<i>Production process</i>		
		<i>Production volume</i>		
		<i>Product quality</i>		
	<i>Required skills</i>	<i>Presentation skill</i>	<i>Introduction on product origin</i>	
			<i>Introduction about product</i>	
		<i>Listening and responding for questions skill</i>	<i>Listening to questions, clients' opinions about products</i>	
			<i>Answering questions in a convincing way</i>	
		<i>Information gathering skill</i>	<i>Able to analyze clients' request</i>	
			<i>Ability to combine information related to clients</i>	
<i>Contract making skill</i>		<i>Knowing the general structure of contract</i>		
		<i>Understanding the important points in the contract</i>		
<i>Decision making skill</i>		<i>Ability to make decision quickly</i>		

PART C. IMPLEMENTATION AND EVALUATION

Lesson 6. Marketing skills



Session 13

How to construct a sales contract?



Objective:

By the end of this session, the participants shall:

- 1. Understand the content of a sales contract;*
- 2. Pay attention to all details when considering a sales contract.*



The facilitators only instruct this section to groups that are preparing or planning to make a sales contract.



The participants can discuss and answer the questions:

- 1. What information is required in a sales contract?*
- 2. What should you pay attention to in the sales contract?*



Key learning points

What is a sales contract?

A sales contract is an oral or written agreement between an individual and a customer to provide products and services.

Written contracts cannot be changed without written consent between the two parties. Oral contracts are easy to implement but also easy to break. Farmers often sell their products without contracts because they are afraid of liability. However, with many farmers now supply to modern trade market as supermarkets, specialty stores, etc., it is important for them to know about sales contract.

Content of a sales contract


A sales contract usually includes the following:


Item	Description
Product's name	Product description
Volume / Quantity	How many products are produced and distributed
Contract period	Contract term
Production requirements	The production standards that were applied on the product. For example: Safe production, organic production, VIETGAP, etc.
Quality standards	Product requirements including size, color, type, etc.
Delivery time	Delivery-related information, including information on when, where, who, and how to deliver the product
Packing information	Information regarding how the products are packaged and classified
Price	Selling price
Payment methods	When will the payment be made to farmers? How? For example: cash on delivery, payment after several days or months, etc.
Technical assistance	Technical support from the customers (e.g. repairment, maintenance, etc.)
Other support	Any other support from the client, including capital, inputs, etc.
Responsibility	Responsibilities of stakeholders
Arbitration clauses	Rules for settling disputes between farmers and customers
Risk	How the products are covered in case of risks such as fire, storms, floods, etc.
Penalty	Penalty rate for each party if there is any conditions in the contract that they do not meet.





Learning exercise

Suggested activity 13.1. How to prepare a sales contract?

 **Objective:** Study the content and important points in a sales contract

 **Duration:** 1 hour and 30 minutes

 **Form:** Practice and group discussion

 **Materials:** Paper size A0, pen, contract template (to fill in)

 **Steps: Tasks of the facilitators:**

1. Ask the participants:
 - + Who would you make the sales contract with?
 - + For which product? Have you encountered any problems?Introduce the content of a sales contract. Hang the paper size A0 on the board.
2. Provide the participants with a sample sales contract and practice with them. Emphasizing on how the participants should make the most of the knowledge and skills gain from session 12. "How to become a good negotiator?"
3. Ask the participants to discuss weaknesses of the sample sales contract

PART C. IMPLEMENTATION AND EVALUATION



Development and
assessment of tested
innovations



Objective:

By the end of the session, the participants will have experienced innovations and graduate from the course.



Key learning points

Through this session, participants will be guided on how to start their own business by improving products and enhancing their participation in potential markets.

Business launching and promotion

This is the time for the farmers to apply what they have learned to their business. New ideas gained from the course needs to be tested and certified with feedback from buyers. Encourage farmer groups, as well as individuals, to participate in community events organized within the framework of the project as well as outside of the project (e.g. fair, exhibition of safe agricultural products, product demonstration, etc.).

Monitoring and evaluation

Indicators applied for Monitoring and Evaluation of FBS include:

- ☞ Reaction and learning outcomes: suitability of training program, whether training program increased business knowledge and skills, whether training program increased opportunities to have a network of farmers to learn and share information with, whether training program improved social interaction, whether the participants developed business plans, etc.
- ☞ Behavior changes: whether the participants have developed a good business vision, heightened interaction with market/value chain actors, increased usage of price information and feedback from buyers to develop business plans, enhanced concern of business plan development before making decision on production, strengthened existing relationships, etc.




Learning exercise

The following exercises are intended to guide the participants how to market the product⁷.

⁷ Referenced on *DA-CHARMP2 and CIP-FoodSTART. 2014. Farmer Business School: Facilitator's manual*. Department of Agriculture – Second Cordillera Highland Agricultural Resource Management Project and International Potato Center – Food Security Through Asian Roots and Tubers Project. Manila, Philippines. 124 pages.

Suggested Activity 14.1. Product presentation

 **Objective:** Encouraging participants to present their product within a certain time

 **Duration:** 10 minutes

 **Form:** Presentation


 **Materials:** Preparing the presentation

 **Steps: Tasks of the facilitators:**


1. Ask each group to prepare a short presentation of the product. The presentation includes the following information:
 - + Name of product? What are the main features of the product?
 - + Why should customers buy their products? Advantages of the product?
 - + Who can the customer get product information from? Which sources?
2. Each group will practice their presentation in 10 minutes. Guide the groups on how to deliver the presentation in the most effective and engaging way.
3. Each group nominates a representative to present. The facilitators and other groups pay attention to and comment.

Suggested activity 14.2. Product display

 **Objective:** Improving the skills while participating in selling products

 **Duration:** Half of the day or 1 day

 **Form:** Displaying

 **Materials:** Products, other necessary materials for selling, marketing materials.

 **Steps: Tasks of the facilitators:**

1. Preparing a detailed plan of the time, place, products to be displayed, the guests, the main message of the show, etc.
2. Guiding participants to display products in the most attractive way.
3. Guiding participants to prepare all the brochures about the products to hand to customers. For example: Information about nutrition, cooking recipe, and contact information for customers to contact when needed.
4. Guiding the participants to be able to explain the benefits of each product. Ensuring the preparation is done properly and carefully.

KNOWLEDGE AND SKILLS EVALUATION OF PARTICIPANTS

(See appendix 3: Farmer business school evaluation questionnaire)

Case study

Case 1: Safe vegetable production and trade

Part A: Identify market opportunities and innovate



Mr. Truong lives in Sa Pa Town, Sa Pa District, Lao Cai Province. He is a hardworking farmer and wants to improve his income from farming. The family mainly grows rice, some vegetables and livestock, . Due to the lack of techniques and skills, he hesitated about investing in agriculture. He only grows S-explosion (NX-S F1), H'mong mustard, kohlrabi, ... in small quantities. Most of the time, he goes to work for as a construction worker in the city.

Identify and evaluate the market demand

During his working time, he realized that food safety is one of the biggest concerns within the community and there is a high demand for safe vegetables. After talking to some of the collectors and restaurant owners he worked for, he found out that the restaurants needs large daily quantity of fresh vegetables and many other indigenous vegetables. Meanwhile, they have not found a stable supply. He also knew that the demand for off-season vegetables (from May to October) was very high.



Especially, customers favored indigenous vegetables. Hanoi customers were often less picky about the taste of vegetables, while customers in Lao Cai tended to be more sensitive. These picky customers are able to notice if he changed new varieties or planting time. With this information, he came up with an idea: "Why not convert the farm production into safe and off-season vegetable production to supply the market?"

He identified two major market opportunities: 1) supplying vegetables to local restaurants, shops, customers and tourists, particularly indigenous and off-season vegetables; 2) supplying vegetables to shops in Hanoi.

He made an economical decision, accounting for the costs and benefits, and chose option 1 (the reason was that there was high demand in local market, the products would be sold easily if the quality was good and consistent.) The remained products (if any) could be sold in Lao Cai city market or Sa Pa day and night market.

Identify and prioritize innovation

After discussing with the collectors and customers, Truong developed his business activities based on 3 groups:

<i>Potential innovation</i>	<i>Action plan</i>	<i>Time, people in charge, places</i>
<i>Technological innovation</i>		
<i>Apply new technology</i>	<i>Learn safe vegetable cultivation and pest management techniques</i>	<i>Asking for help from extension workers and project staff</i>
<i>New varieties</i> <i>S-explosion is a cold resistant variety that is suitable for local weather conditions. It has a nice green color, is tender and delicious. On the other hand, the heat-resistant KK variety is strong against diseases and required less care</i>	<i>Transferred from S-explosion to KK (CROSS KK)</i>	<i>Actively asking the seed provider in Vinh Phuc about the KK variety. Winter: S-explosion, summer season: KK Plan to plant 400 heads first.</i>
<i>Change the vegetable types according to season</i>	<i>Summer (off season): cabbage, Chinese cabbage, cucumber, lettuce Winter crop: still growing cabbage, Chinese cabbage, small quantity. Mainly focusing on short growing time vegetables such as loosen cabbage, especially growing cabbage earlier to harvest the shoot later.</i>	<i>Summer crop: consulting more with project staffs</i>
<i>Innovation in consumption</i>		
<i>Packaging</i>	<i>Learn how to classify products based on quality and to pack properly</i>	<i>Farmers, inviting extension workers</i>
<i>Building relationships with customers</i>	<i>Before changing new varieties or testing new products, contacting with clients first (regular shops and collectors) to consult for their opinion about the change. Regularly update information about</i>	<i>Shops and customers in Lao Cai city. Customers (including tourists) buy vegetables at Sa Pa market</i>

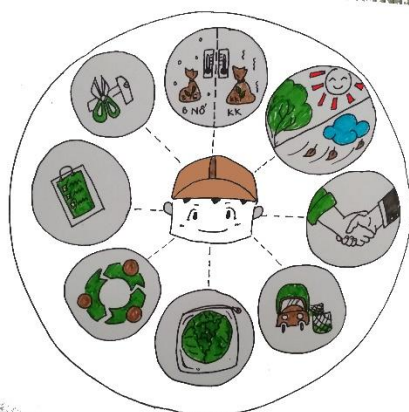
	<i>consumer preference and price through regular customers.</i>	
	<i>Explain to the customer the characteristics of the new product and accept sending sample products for them to try and collect feedback to make changes to their product.</i>	
<i>Cooperating with the transporter</i>	<i>Transporting 1 time/ 2 days for each store.</i>	
<i>Innovation in operation</i>		
<i>Product supply support group</i>	<i>Cooperating with 3-4 farmers in the commune to have a regular product supply</i>	<i>Assigning tasks clearly</i>
<i>Meeting with other parties in the consumption channel</i>	<i>Meeting at least 1 time per week</i>	<i>Meeting at least 1 time per week Other farmers</i>

Part B: Planning

Truong made a detailed plan of product distribution schedule for the entire year. Based on the distribution plan, he came up with a detailed production and segmenting production plan, in which he also distributed to other farmers he cooperated with.



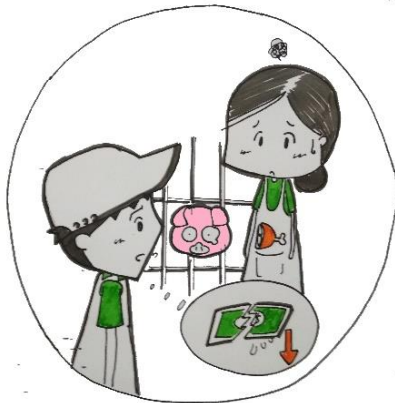
Part C: Implementation and evaluation



Currently, Truong has built a long-term, stable and trust-worthy cooperation with some shops and customers in Lao Cai market. They usually order first-quality grade products. Quantity and price were discussed and agreed in advance. These buyers usually require high quality products and willing to pay high price. Grade 2 or 3 products are sold in the retail market in Sa Pa, where there is a large number of tourist visiting. Notably, tourists tend to be less picky than customers in Lao Cai. Market information and feedbacks from partners are regularly circulated in the channel. This helps to provide timely information for Truong to renew his products to meet consumers' needs.

Case 2: Producing and trading sausages⁸

Part A: Identifying market opportunities and execution direction



Lan and Phuong are two women participating in a production group called “Women With A Common Interest In Pig Farming of Nam Tri and Khoi Bung village, Bao Nhai commune, Bac Ha district, Lao Cai province.

Livestock plays an important role in family income. However, in the years 2016-2017, the price of pig dropped to very low levels. This incident tremendously affected the lives of many group members. For crop farmers, a usual response will be that if planting is not financially beneficial, they simply stop production. However, for livestock production, if the pigs cannot be sold, farmers still have to pay the cost for feeding and even disease prevention.

Identifying the market demand

After a period of market observation, they realized that sausages are very popular, especially those that are produced from safe pork. They spent time to visit multiple sausage processing units and markets to study and understand the demand for this product. After market investigation in Bao Nhai, other neighboring districts and Lao Cai city, the two decided to produce sausage. When addressing the decision in the production group, many members did not support them due to the difficulties in product marketing. However, the two women still determined to bring their startup idea to life.



Determine what to do and how to conduct the experiment

⁸ Farmer group in the project “Improving the economic position of women by promoting the agricultural value chain - Pork Sector Value Chain” Funded by the Australian Government, implemented by Oxfam in Vietnam and Lao Cai Department of Agriculture and Rural Development.

Implementation	Action plan	Time, people in charge, places
Technical aspects		
Sausage production	<p>Learn sausage making techniques</p> <p>Study about food hygiene and food safety</p>	<p>Inviting an instructor to guide them about sausage making techniques (through the recommendation of the Provincial Agricultural Extension Center). January 2017</p> <p>Officer of Lao Cai Food Safety and Hygiene Department</p>
Consumption		
Actively searching for customers	<p>Coming to stores, fairs, schools to introduce products.</p> <p>Investigate the market in other provinces.</p>	
Promotion	<p>Printing flyers with details of product quality, nutrition, contact details ...</p> <p>Sending as gift to relatives in the area of Bao Nhai district</p> <p>Product sampling at restaurants, schools, fairs, ... and receiving feedback from customers</p>	<p>In March 2017, Lan in charge. Inviting staff of Lao Cai Food Hygiene and Safety Department to consult</p>
Experiment	Fried sausage and other products	April 2017
Organizing		
Investing in machines	Investing in machines, production lines, equipment, technology and inputs for the sausage production	Considering loans from bank
Organizing group	Linking with group members (or via slaughterhouse) for secure supplies, clear origin	
Two-way information from producers and stakeholders	Collecting Information and feedback of all parties in a timely manner.	Lan in charge
Improving knowledge	Learning about market, selling skills, signing contracts, negotiating skills	Provincial Extension Center staff

Part B: Making plan



They made a detailed plan of product distribution schedule with a year-long timeframe. Based on the distribution plan, they came up with a detailed production plan and segmenting production plan and distributed them to other farmers she cooperated with.

Part C: Implementation and evaluation



After one year of operation, their average daily production volume reached 18-22 kg of meat/day/household, equivalent to 23-28 kg of sausage/day. Sausages are sold shortly after producing (production based on orders). Their main markets were in Lao Cai and other provinces such as Hai Phong, Hai Duong and Hanoi (at times, the production volume was up to over 40 kg of meat per day). In addition, they also linked with restaurants, retailers, schools and health stations. Products were promoted in many trade fairs such as Vietnam – China trade fair in Lao Cai .

Their collaboration with chain stakeholders (including pork suppliers, customers, restaurants, etc.) is built on trust and long-term cooperation. They started developing many new products such as traditional sausage, processed pork roll, fermented pork roll, etc. Difficulties in consumption were solved in time. This production did not only bring economic benefits to the two pioneers and their group members, but also enhanced solidity in the common interest group. Members actively discuss market issues and propose specific solutions and actions to remove difficulties in production and consumption of products.



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ANNEX 1

STEPS TO BUILD A LESSON PLAN OUTLINE



Step 1 - Determining objectives of the session

Before making a plan for one training session, the facilitators should determine the purpose of the session by answering the following questions:

- ☞ Why did participants in this session?
- ☞ Which problems can participants solve after this session?
- ☞ Who are the participants?



Step 2 - Determining contents of the session

To identify the content of the session, facilitators should determine:

- ☞ To achieve the objective of the lesson in Step 1, which business and technical content should be included?
- ☞ Which topic should be guided first? Which one is for later?
- ☞ What are the possible scenarios (e.g.: absence of participants, lack of supplies or teaching materials, etc.)? Contingency plan?

Facilitators should consider the following:

- ☞ Have you understood the content and issues in the lesson? If not, where could you read and know more about related information or who could you ask?
- ☞ In each topic, which are the points that you want to demonstrate to your participant? What kind of tools and materials do you need to illustrate (e.g., specimens, field for practices, photos, videos, etc.)?
- ☞ What are the questions that could be used to explore participants' opinions or that they could ask?
- ☞ What are the important points that need extra attention while guiding each specific session?
- ☞ What are the conclusions to be recapped at the end of each session?



Step 3 – Content preparation

The facilitators should prepare sufficiently before beginning a session:

- ☞ Which market to visit? Who to talk to? Who should be invited (collector, retailers, etc.) to discuss with the trainees?
- ☞ Which vegetable fields will be used for practice experiments? Where?
- ☞ Which study tools and practical materials should be prepared?
- ☞ Which materials should be used to guide students? Which exercises should be chosen for each session?
- ☞ Which questions should be chosen to cover the session's content?



Step 4 – Estimated time for each part of the session

Although the study guide has suggested learning time for each part, the facilitators should base on the specific situation to make appropriate adjustments.

- ☞ How long should the session (content) be?
- ☞ Is it too long? If long:
 - + Which part could be shortened?
 - + What can be done outside of class?
 - + What should be left to another session?
- ☞ How long will each content part take?
- ☞ When should it start?
- ☞ Possible situations: Earlier? Later?

ANNEX 2

PROCESS TO ORGANIZE A TRAINING SESSION

One FBS training session include 3 parts:

Part 1 – In the class

- ☞ Check numbers of participants.
- ☞ Introduce objectives of the session: which issues this session address, which knowledge and skills are provided, etc.
- ☞ Training agenda (might prepare A0 paper/board to write)

Guiding training contents, including exercises

For instance: market visit or sharing with market/value chain actors (collectors, traders, retailers, restaurants, etc.)

- + Guide the exercise methods: Contents that need to be collected; market/value chain actors who needs to be met for information.
- + Emphasize on contents that are important.
- + Assign members for specific tasks before visiting market (for instance: who is in charge of market information from traders, etc.)
- + Contact the places where a visit will be taking place (if needed).

Technical Content

Guiding contents that need to be practiced in the field

- + Guide the exercise method: Measure, count, observe, note, collect samples, etc.
- + Emphasize contents with high importance.
- Assign members for specific tasks.
- Give materials and learning tools necessary for practices in the market as well as in the field.

Part 2 – Practice

Business Content

- ☞ Divide the participants in small groups, set an agreement on contents and time to practice.
- ☞ Facilitators can guide a specific example.
- ☞ Support participants throughout their practice session

Technical Content

- ☞ Assign the participants, re-guide contents that are provided in the class with actual practices, mention constraints/difficulties that may happen.
- ☞ Arrange the location for groups to practice.
- ☞ Inform the finishing time of the practice session.
- ☞ During the time the participants practice, the facilitators support, including guiding about methods, comment, analyzing pros and cons, etc.
- ☞ The facilitators express shortcomings that farmers can face.

Notes:

- ☞ Selection of the field and samples for observation are very important, determining 50-70% of the success.
- ☞ ALWAYS select 2 fields or 2 plots for practice and comparison.

Part 3 – Back to the class

- ☞ Play game or relaxing art performance.
- ☞ Discuss results of practices on business or on the field:

Business Content

- ☞ Guide the participants to share the information they collected, such as:
 - + Information collected from buyers (collectors, traders, retailers, restaurants, etc.)
 - + Select products that meets market demand and fit the capacities of the group and all group members. Suggest some questions for discussion. Three types of the following questions are expressed:
 - ✓ Compare to previous times? Why did you select that product to produce?

- ✓ Why is there a difference?
 - ✓ What is your experience in this issue?
- + Guide the participants to develop a business plan for the group as well as for individuals.

Technical Contents

- ☞ Guide the groups to analyze the results of measurement, observation, etc. from the practice.
 - ☞ Guide the groups to present their results of observation and measurement on a paper size A0 (drawing, writing, data sheet, etc.)
- + Pay extra attention to three types of group discussion questions:
- ✓ Comparing to the last time (or habit/Custom)?
 - ✓ Why there are differences?
 - ✓ What are your personal experiences in this matter?
- + Assigning content prepared to each group (if needed) and set time limit for discussion
- ☞ When the groups are preparing, the facilitators observe, encourage, guide and help them to prepare the content above.
 - ☞ Each group presents their results. Other groups challenge them with questions about the unclear or different points. The facilitators can summarize the arguments, different points or other ideas and discuss with the participants about what needs to be done or intervened after class.
 - ☞ The facilitators inform contents and time for the next session. Assign other members to prepare materials, samples, etc.

ANNEX 3

NORTH WEST VEGETABLE PROJECT

M&E QUESTIONNAIRE FOR PARTICIPANTS OF THE FARMER BUSINESS SCHOOL

I. General information

Full name:

Address:

1. What is your gender?

Male

Female

2. What is your ethnicity?

Kinh

Tay

H'mong

Nung

Dao

Other, please specify:.....

3. How would you best describe your farming system?

Vegetable only

Rice-vegetable

Rice-corn-vegetable

Other, please specify:.....

4. What is your most important source of income?

Off-farm income

Vegetables

Other crops

Livestock

Other, please specify:.....

5. Which Farmer Business School group are you a member of?

Ma Tra

Sin Chai AB

Ta Phin

Gia Phu

Na Kheo

Muc Pomelo

Di Thang

Other, please specify:.....

Km 3

6. What was your main motivation or reason for joining the Farmer Business School?

Have good understanding of market demand

Have good market orientation and know what the market needs

Learning new farming techniques

Learning new farm business management skills

- Having a network of farmers to learn and share information with
 - Greater confidence in on-farm decision making
 - Greater confidence in selling of products
 - Improved social interaction (e.g. with service providers)
 - Other, please specify
-

7. Which modules and sections did you participate in with the Farmer Business School?
(Please select all that apply)

Modules: Business	Sections
i. <input type="checkbox"/> Group formation and strengthening ii. <input type="checkbox"/> Market chain mapping iii. <input type="checkbox"/> Identification and prioritization of market opportunities iv. <input type="checkbox"/> Identification of innovations (change in production, marketing, group organization) v. <input type="checkbox"/> Business planning vi. <input type="checkbox"/> Marketing skills vii. <input type="checkbox"/> Others (please specify)	
Modules: Technique	
i. <input type="checkbox"/> Seedling production ii. <input type="checkbox"/> Pest and disease control iii. <input type="checkbox"/> Crop nutrition management iv. <input type="checkbox"/> Post harvest v. <input type="checkbox"/> Others (please specify)	

8. Which learning trips did you participate in?

- Planting

What did you learn on this trip?

- Harvesting

What did you learn on this trip?

- Packing

What did you learn on this trip?

- Trading experience

What did you learn on this trip?

- Other, please specify

What did you learn on this trip?

① ② ③ ④ ⑤
 A lot less Same A lot more

16. Compared to before FBS training, do you collect price information more or less frequently?

① ② ③ ④ ⑤
 A lot less Same A lot more

17. Compared to before FBS training, do you get information of what varieties are preferred by the buyers more or less frequently?

① ② ③ ④ ⑤
 A lot less Same A lot more

18. Did you ever discuss or share the following information with anyone? Who did you discuss this information? Put an X in each.

	Farmers in the FBSs	Farmers outside FBSs	Traders	Collectors	Retailers	Consumers	Others (specify)
Price							
Product attributes (size, colour, etc.)							
Consumer preference							
Opportunities with new buyers							
Issues/challenges in production							
Others.....							

19. Do you agree with the following statement: “Compared to before Farmer Business School, I use price information and feedback from my buyer to plan my production and business more often”?

① ② ③ ④ ⑤
 Do not agree Fully agree

20. Did you make any changes/innovations to your production and business activities after participating in the Farmer Business School?

	Compared to last year, did you.....?	Compared to now, are you planning to?
Try new production techniques	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Try new variety	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Try new production timing	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Try new buyers/market	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Strengthen the relationship with	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

	Compared to last year, did you.....?	Compared to now, are you planning to?
existing buyers		
Try new commodity * (other than vegetables)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Others (please specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Notes: The answers in the table do not include changes made by support from the government (e.g. support in new varieties).

21. If you give answer “Yes” to *, what kind of commodity could you apply knowledge and skills that learn from the FBS?.....

22. Do you inform your buyers (e.g. regular buyers, etc. about any changes to your production/marketing? Yes No
If no, why?.....

23. In your opinion, how do your vegetables compare to others on offer in the market (size, colour, wilting, marks, bruises)?

- | | | | | |
|------------|-------------|------|--------------|-------------|
| ① | ② | ③ | ④ | ⑤ |
| Much worse | A bit worse | Same | A bit better | Much better |

24. Compared to other seasons, how do profits from your vegetables?

- | | | | | |
|------------|-------------|------|--------------|-------------|
| ① | ② | ③ | ④ | ⑤ |
| Much worse | A bit worse | Same | A bit higher | Much higher |

25. Compared to before the Farmer Business School, how much more confident are you in your business ability?

- | | | | | |
|-----------|---|---|---|----------------|
| ① | ② | ③ | ④ | ⑤ |
| No change | | | | More confident |

26. Compared to before the Farmer Business School, how much more confident are you in your production techniques?

- | | | | | |
|-----------|---|---|---|----------------|
| ① | ② | ③ | ④ | ⑤ |
| No change | | | | More confident |

27. If the Farmer Business School continues in the future with new topics, would you participate? Yes No

What would you recommend to make future Farmer Business School better?

- More interaction with actors along the market/value chain
- More training on farming techniques
- More learning visits
- Other, please specify:

THANK YOU VERY MUCH FOR YOUR TIME!